

CATO RIDGE LAND DEVELOPMENT AND RELEASE PROJECT– COMMENTS AND RESPONSES REGISTER

The following is a summary of the comments received to date. The project team have taken note of the concerns/comments and responded as necessary for onward communication to the relevant I&AP.

Issue	Name	Format	Date	Question / Comment	Response (EAP, Applicant, Specialists and Engineers)
Productivity	Mr P Edmond	Email	06 June 2023	This project is very essential to businesses, to the local community that will benefit from such a development and the businesses that will create employment, all along the N3 corridor. The immense pressure that it will release from the N3 to Durban and the congestion already in Durban with the trucking companies forced to go all the way to the congested harbour. The opportunity for fledgling businesses in the Hammarsdale – Cato Ridge area. There are just no negatives. Business is always the driver of employment and therefore upliftment of the community at large.	We note your support for the proposed Cato Ridge Development and Release project based on the potentially significant benefits for businesses, the local community, and the possible alleviation of pressure on the N3 corridor and the congested harbour in Durban. You also note that the project presents opportunities for employment and economic growth, particularly for fledgling businesses in the Hammarsdale-Cato Ridge area.
	Mr M Hayter	Email	8 June 2023	The release of this land is expected to bring about a range of benefits, including job creation, economic growth, alleviating congestion at the Durban Port, and curbing the degradation caused by illegal grazing, sand mining, and unlawful settlements. By actively participating in the development process, we are eager to contribute to the realization of this project and witness the immense advantages it will bring to all stakeholders involved.	Comments and participation in the process are appreciated and we will keep you posted as the EIA process progresses.
Security and Community Relations	Multiple I&APs	Notice hand out	12 – 15 May 2023	Community leaders must be engaged	Meetings have been held with the Inkosi and a presentation to the Induna. A meeting was also held with Inkosi and the Ward Councillor.
	V Shange	Notice hand out	12 – 15 May 2023	Why was this project not given to the people of KwaXimba	The project is proposed and will be financed by the landowner. Direct and indirect opportunities will arise for the community as a result of its location and proximity to the KwaXimba. These benefits are included and assessed in the social impact assessment.
Employment Expectations	Multiple I&APs	Notice hand out	12 – 15 May 2023	Numerous requests for employment	The employment needs and opportunities are discussed and assessed in the Social Impact and Macroeconomic Assessments. The need for employment is noted
Land Use	Multiple I&APs	Notice hand out	12 – 15 May 2023	More warehousing to create jobs	The project will create direct and indirect employment and commercial opportunities through the proposed light industry, warehousing and logistics land uses.
Services	Multiple I&APs	Notice hand out	12 – 15 May 2023	Police Station. Fuel Garage. Post Office. Business Centre. Stadium. Sports Development. Park. Home Affairs. Museum	The need for development and social amenities in the Cato Ridge area is noted. The implementation of the project and possible increased standard of living may create an environment for such social amenities however these are not planned or included with this application.

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Shopping Centres	Multiple I&APs	Notice hand out	12 – 15 May 2023	Support for the project and requests for a shopping mall to be built on the available land, or wholesalers such as Boxer stores	The proposed precinct is focused on light industrial, logistics, commercial, warehousing and distribution land uses in line with the existing zoning and adjoining land uses. The project does not provide for retail enterprises.
Medical	Multiple I&APs	Notice hand out	12 – 15 May 2023	Requests for a hospital or clinic	Not included in the current project scope. The project is limited to light industrial, logistics, commercial, warehousing and distribution land uses
Educational	Multiple I&APs	Notice hand out	12 – 15 May 2023	Schools and colleges with good infrastructure are needed	Not included in the current project scope. The project is limited to light industrial, logistics, commercial, warehousing and distribution land uses
	Multiple I&APs	Notice hand out	12 – 15 May 2023	Build a library	Not included in the current project scope. The project is limited to light industrial, logistics, commercial, warehousing and distribution land uses
Chemicals and Pollutions	Multiple I&APs	Notice hand out	12 – 15 May 2023	No dump site	No dumpsite is proposed as part of the project.
	Multiple I&APs	Notice hand out	12 – 15 May 2023	Concern regarding land use and Chemical plants “be careful with chemicals” They must make sure they do not damage our land”, “No chemical campaign [company]”, “Strong chemical company not wanted”	The project will focus on light industry, warehousing and logistics activities and exclude noxious and hazardous chemicals industries.
Agriculture	Multiple I&APs	Notice hand out	12 – 15 May 2023	Create a Community Garden	The project is limited to light industrial, logistics and warehousing. The development of a community garden is outside the scope of this application.
	Multiple I&APs	Notice hand out	12 – 15 May 2023	If it won't affect our animals.	The issue of grazing is assessed in the EIR. Informal grazing is, as far as this application is concerned, to be excluded from all onsite biodiversity offset areas, to meet the biodiversity objectives for KZNSS grassland management and conservation, however, CRDC has initiated a study to determine if rotational grazing can be permitted in these areas, which, if acceptable, will be submitted to the EDTEA/Ezemvelo for consideration and acceptance.
	Multiple I&APs	Notice hand out	12 – 15 May 2023	This construction building signifies serious environmental challenge in maintaining the natural balance of livestock	
	Multiple I&APs	Notice hand out	12 – 15 May 2023	Besides the lack of proper animal/wildlife grazing management destroys the soil's nutrients	
Biodiversity	Multiple I&APs	Notice hand out	12 – 15 May 2023	Reduces the productivity usefulness [usefulness]and biodiversity of the land	The impact of the project on biodiversity has been assessed by the specialists in the EIR. While the project will impact biodiversity, the establishment of biodiversity offsets and the restoration of those areas (and arresting informal mining, dumping, burning, and grazing) will serve to improve biodiversity and ecosystem functions in those areas.
Offset	P Edmonds	Email	06 June 2023	It seems there has been a lot of land that has been made unavailable as a result of the DMOSS. This is disappointing. Let us hope that common sense prevails with the municipality in reducing the swap out ratio down from 1:30 to 1:8 or even 1:7 as seems possible.	Regarding the Biodiversity Offsets ratios. A 30:1 biodiversity offset ratio remains the basis for the biodiversity receiving area calculations, as per the Biodiversity Offset guidelines. However, in calculating the area required for biodiversity offsetting the specialist has motivated the following adjustment factors for the authorities' consideration:

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					• Botanical condition adjustment: The botanical condition of the impacted grasslands involves an adjustment factor to quantify residual impacts in hectare equivalents (H.E) where footprint hectares x botanical condition rating = H.E (viz. 351ha footprint = 89 H.E). The target offset is calculated using a 30:1 offset ratio (viz. 2693 H.E). Preliminary offset calculations are that the Applicant must secure 2693 H.E. of suitable habitat to compensate for negative impacts on Nationally Endangered KZN Sandstone Sourveld Grasslands. • Municipal adjustment factor: to incentivise biodiversity offsets in the more expensive eThekweni municipality an adjustment factor of 7,6:1 (rounded down to 7:1 based on the precautionary principle) is motivated to gain parity with meeting offsets on cheaper land outside the municipal boundaries. Viz. any offset area within the municipal boundary is effectively valued at 7 times that of an offset implemented outside the municipal boundary. • 'Out-of-kind' adjustment factor: An Adjustment factor has also been applied to allow non-KZNSS but important associated habitats to contribute to offsets receiving areas. The include wetland areas at a 1:1 ratio, Eastern Scarp Forest (ESP) at 0.7:1 and Dry Coast Hinterland Grassland (DCHG) at 0.3:1. Areas of Eastern Valley Bushveld (EVB) were deemed unsuitable for KZNSS offsetting purposes but 378ha will still be donated to the Municipality (with conditions) for conservation purposes. • Forb diversity adjustment factor: Estimating offset requirements on private land outside the Metro an adjustment factor of 0.75 has been applied based on the assumption that some of the grassland areas may have lower forb species diversity than defined benchmark conditions (35 species/plot).
Infrastructure	Mr P Edmond	Email	06 June 2023	The biggest single problem will be to get it to the market with suitable bulk infrastructure IE: The N3 KwaXimba Interchange and the DOT surrounding roads.	Noted. Ongoing engagements are occurring with the various bulk service departments at a local, provincial and national government level, to help unlock the project through the provision of bulk service infrastructure.
	S Naicker (Eskom)	Email	23 May 2023	Please review the enclosed Eskom Application Requirements and kindly provide this office with the requested information including the digital layout plans in either of the stipulated formats. Once we receive the information, we will proceed to investigate and provide you with the required comments.	Further to your request for information regarding the power supplies for the above project/application, please find a zipped file attached: • CAD files (both DWG and DXF) • KMZ files • Shapefiles (in WGS84 LL and WGS84 LO31 projections and datums data) • Layouts (Both PDF and JPG)

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					Also, the appointed Engineers (Kantey & Templer Consulting Engineers via Riaan van Greunen (riaan@cvg.co.za) and Rob Keppler (robk@pmb.kanteys.co.za), have been engaging Eskom regarding power supply options for this application and the following points/status relate: • The engineer/Applicant has been engaging Eskom via the Customer Executive for Assmang, Ms Dhenay Pillay (Contact Card attached). • An application and associated fee were submitted some months ago and a response is awaited. A Cost Estimate Letter (CEL) should be issued by the end of June 2023, according to Eskom. Initial discussions indicate there is capacity at their nearby Trelawney Substation, probably sufficient for the first and second sub-phase of Phase 1 of the development. Thereafter, capacity will be made from the 132kV network to two dedicated 132/11kV substations, one to supply the southern parts and one to supply the northern parts of the development. This too is expected to be confirmed in their CEL
	S Naicker (Eskom)	Letter	8 June 2023	ESKOM DISTRIBUTION COMMENTS: DRAFT ENVIRONMENTAL IMPACT REPORT (EIR) FOR THE PROPOSED CATO RIDGE LAND RELEASE AND DEVELOPMENT PROJECT, ETHEKWINI METROPOLITAN MUNICIPALITY, KWAZULU-NATAL (EDTEA REF: DM/0006/2023: KZN/EIA/000 With reference to your emailed application and accompanying plans dated 5th June 2023, we confirm that an investigation has been carried out with regard to the supply of electricity, as well as any encroachment into Eskom's Servitudes, in respect to the application as set out above. The below listed Infrastructure Lines are the only Eskom assets showing to exist on our system which traverses the areas shown in the KMZ Application Files "Proposed Electrical Areas" & "Proposed Electrical Lines". • Trelawney NB29 1 1-kV Underground Cable • Trelawney NB32 1 1-kV Overhead Lines & Underground Cables • Feralloys/Georgedale 1 132-kVLine • Feralloys/Georgedale 2 132-kV Line	-

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				• Abattoir/Georgedale 1 132-kV Line • Abattoir/Trelawney 1 132-kV Line (D/C) • Trelawney 132kV Substation • Abattoir NB115 11 -kV Overhead Line • Abattoir/Georgedale 1 132-kV Line • Abattoir/Trelawney 1 132-kV Line (D/C) • Feralloys 132-kV Substation • Abattoir 132-kV Substation Refer to the attached diagram ERINV 244/2023 [see original comment for drawing]. Please contact Miss Lungile Motsisi for comments with respect to the Transmission Powerline: - Lungile.Motsisi@eskom.co.za/ 011 800 5734; 083 589 9165 The following Eskom Distribution Regulations shall apply: • Building Restrictions for an 11-kV Overhead Power Line - No building or structures may be erected or installed above or below the surface of the ground, neither may any material which might endanger the safety of this power line be placed within 12 (twelve) metres from the centre line of this power line, on either side (overall servitude width 24 metres). • Building Restrictions for 11-kV Underground Cables - No excavations may be affected within 1.5 metres from any of its underground electric cables. Therefore, keeping servitude areas for underground cables at a minimum of 3.00 metres wide. Changes in ground level may not infringe on statutory depth levels at which Eskom underground cables are laid. After any changes in ground level, the surface shall be rehabilitated and stabilised so as to prevent erosion. The measures taken shall be to Eskom's requirements. Building Restrictions for a 132-kV Overhead Power Line - No building or structures may be erected or installed above or below the surface of the ground, nor may any material which might endanger the safety of this power line be placed within 18 (eighteen) metres	- - The Eskom Distribution regulation has been passed on to the Applicant/Engineers for consideration and inclusion in the detailed design. - - -

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				from the centre line of this power line, on either side (overall servitude width 36 metres). • Building Restrictions for Substations - No building or structures may be erected or installed above or below the surface of the ground, nor may any material which might endanger the safety of this Substation be placed within the Substation Servitude Area. The applicant will adhere to all relevant environmental legislation. Any cost incurred by Eskom as a result of non-compliance will be charged to the applicant. Dimensions and specifics will be in accordance with ESKOM standards so as to not obstruct Eskom's existing infrastructure in any way. Eskom shall not be liable for the death of or injury to any person or for the loss of or damage to any property whether as a result of the encroachment or of the use of the servitude area by the applicant, his/her agent, contractors, employees, successors in title, and assigns. The applicant indemnifies Eskom against loss, claims or damages including claims pertaining to consequential damages by third parties and whether as a result of damage to or interruption of or interference with Eskom's services or apparatus or otherwise. Eskom will not be held responsible for damage to the applicant's equipment. The applicant's attention is drawn to the Electricity Act, 1987, (Act 41 of 1987, as amended in 1994), Section 27(3), which stipulates that the applicant can be fined and/or imprisoned as a result of damage to Eskom's apparatus. No mechanical equipment, including mechanical excavators or high-lifting machinery, shall be used in the vicinity of Eskom's apparatus and/or services, without prior written permission having been granted by Eskom. If such permission is granted the applicant must give at least seven working days prior notice of the commencement of work. This allows time for arrangements to be made for supervision and/or precautionary instructions to be issued.	- - - -

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				The clearances between Eskom's live electrical equipment and the proposed construction work shall be observed as stipulated by Regulation 1 5 of the Electrical Machinery Regulations of the Occupational Health and Safety Act 85 of 1993. Equipment shall be regarded electrically live and therefore dangerous at all times. Any third-party servitudes encroaching on Eskom land shall be registered against Eskom's Notaries deed at the applicant's own cost. If such servitude is brought into being, its existence should be endorsed on the Eskom servitude deed concerned, while the third party's servitude deed must also include the rights of the affected Eskom servitude. For a developer taking a new supply from Eskom, an increase of supply or line deviation is required to make an application to Eskom via the Eskom toll-free number 0860037566. This application will be processed in terms of Eskom's standard customer connection tariffs, conditions and policies at the developers' cost NB. Customers requiring Substation or Powerlines to be installed for their purpose/supply their development must grant all servitudes (a piece of ground on the property to be developed) to Eskom at no cost. Before commencing any construction work, the applicant must reach out to Eskom and submit comprehensive Surveyed Plans to this office. Please note that this letter serves to inform you about the building restrictions imposed by Eskom Distribution and should not be construed as approval for any construction activities.	- - The requirement to submit final surveyed plans to Eskom for approval before commencement is noted and construction may not commence before approval of the plans is granted by Eskom.

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Traffic Impact	S Duma	Notice hand out	12 – 15 May 2023	Logistics is not good because it damages our roads and creates accidents	The impact on roads has been assessed and Traffic Impact assessment and interventions to upgrade the roads are proposed and will be required. The project also seeks to promote the use of the rail head to reduce road traffic and encourage freight rail linked with the Durban Port.
Air Quality	S Hlongwa	Notice hand out	12 – 15 May 2023	The place is good but full of smoke and so much pollution	The project will be restricted to light industry, non-noxious and no chemicals to limit air, ground and water pollution. Mitigation measures to manage this are provided in the EMPr.
Noise	Ndumiso	Notice hand out	12 – 15 May 2023	If it will not make a noise for people close to the project	The project will increase ambient noise levels in the areas but must comply with the relevant National Noise Control Regulations (GN R154 in Government Gazette No. 13717 dated 10 January 1992) (NCR)
WULA	Mr P Edmond	Email	06 June 2023	Also, I am concerned that the WULA process is needing to be run in tandem. This does not make sense to the IA&Ps as most are already over-committed. To run 2 separate events to satisfy some expensive process/legislation is going to cause more unnecessary commitments when both public meetings could be held at the same time and place. I can't see myself attending both, even though both are essential.	We appreciate your feedback regarding the WULA process running in tandem with the EIA process and the challenges posed by multiple events and their associated commitments for I&APs. However, these processes are administered by different Departments and Laws and the stipulated timeframes differ, therefore full alignment is not possible. We did call for comments on the WULA process as part of the scoping phase public notifications to integrate these processes for I&AP convenience and efficiency.
Support the project	Multiple I&APs	Notice hand out	12 – 15 May 2023	Comments received were “Agreed” or “Support” – no specific comments	Thank you for your feedback. It is noted.
	Mr M. Hayter	Email	8 June 2023	We would like to express our sincere gratitude for granting us the opportunity to listen to the presentation of the latest updates on the Environmental Impact Report (EIR) pertaining to the release of land owned by Assmang in Cato Ridge. We highly appreciate the time you dedicated to this meeting, and we found it to be an exceptionally informative session. It is with great enthusiasm that we declare our full support for the project, as we firmly believe it holds significant potential for unlocking numerous opportunities in the region.	Thank you for attending the public meeting at Cato Ridge Golf Club on 27 May 2023 and contributing to the discussions. Concerning your comment, your support for the project on macroeconomic and socioeconomic grounds and the potential opportunities for the project to improve regional logistics, including those at the Port of Durban, is noted.
Heritage	AMAFA	Letter	12 April 2023	IN TERMS OF SECTION 38(8) OF THE NATIONAL HERITAGE RESOURCES ACT (ACT 25 OF 1999) AND SECTION 41(8) OF THE KWAZULU-NATAL AMAFA AND RESEARCH INSTITUTE ACT (ACT 05 OF 2018) The Cato Ridge Development Company Ltd (“CRDC”) (a wholly owned subsidiary of Assmang (Pty) Limited, proposes to develop and release 350 hectares of land across three phases within a study area in the Cato Ridge area. The intention is to develop and make land available	Responses are provided where appropriate below.

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				for a combination of logistics and warehousing land uses for future end users. In order to service the development, various bulk service infrastructure installations and upgrades will be required. Required services will form part of the project scope, and will relate to sanitation, water, electrical and stormwater infrastructure. Amongst other things, the following was discussed: • The committee noted that an HIA was submitted, and the committee required a Phase II Architectural Assessment for the building structures on site. • It was also noted that the development footprint would not impact the graves identified and a 10m buffer has been set around the graves. FURTHER REQUIREMENT • The applicant was required to submit a Phase II Architectural Assessment • Should you have any further queries, please contact the designated official using the case number quoted above in the case header.	
Not in Support	Multiple I&APs	Notice hand out	12 – 15 May 2023	Comments received were “Disagree” required more information and detail	I&APs were given flyers/notices and the public meeting dates were highlighted to them as an opportunity to receive more information. Hardcopies of the dEIR were available at the Cato Ridge Golf Course and KwaXimba Community Hall.
	Multiple I&APs	Notice hand out	12 – 15 May 2023	Disagree, the place must be sold to citizens so they can build cottages to empower their economic state	The project is proposed and financed by the landowner/Applicant. However, the needs and desirability section of the report indicates why the site is strategically suited for light industry, logistics and warehousing activities, and discussed the potential local, regional, and national benefits that may arise and catalyse economic development in the region. The large level area provided by this site makes it suitable for this use, whereas other areas in the region are not.

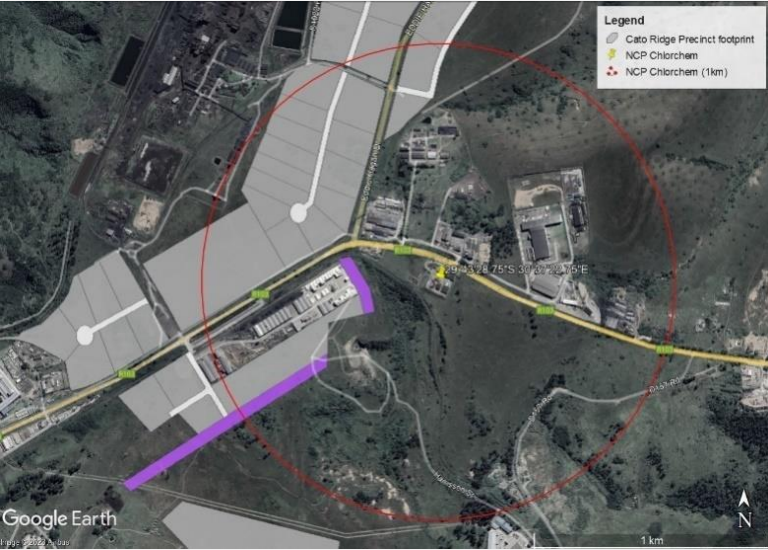
	EDTEA: Natasha Brijlal (Control Environmental Officer: EIA)	Letter	14 June 2023	DM/0006/2023: COMMENTS ON THE DRAFT ENVIRONMENTAL IMPACT ASSESSMENT REPORT (DEIR) FOR THE CATO RIDGE LAND DEVELOPMENT AND RELEASE, CATO RIDGE, WHICH IS LOCATED WITHIN THE ETHEKWINI MUNICIPALITY. 1. The draft Environmental Impact Assessment Report (DEIR) submitted for the application for environmental authorization for the abovementioned activity, submitted in terms of the requirements of regulation 21 of the Environmental Impact Assessment (EIA) Regulations, 2014 as amended, was received by this Department on 16 May 2023. 2. The Department has evaluated the submitted DEIR for Environmental Impact Assessment and has the following comments: a. Listed Activities: i. It is noted that there are changes to listed activities (as per the application November 2022) - Listing Notice 1: Activity 2 (Renewable generation) and Activity 8 (Agri-industrial facilities) have been removed. Please note that an updated Application form must be submitted to effect these changes. ii. The final EIAR must provide an assessment of the impacts and mitigation measures for each of the listed activities applied for. iii. The listed activities represented in the EIAR and application form must be the same and correct. iv. The final EIAR must assess the correct sub-listed activity for each listed activity applied for. b. Public Participation: i. Please ensure that comments from all relevant stakeholders are submitted to the Department with the final EIAR.	1. Context 2. Context a. - i. A revised application form will be submitted with the final EIR. The revised application form will ensure the project description is aligned with the EIR and the revised Listed Activities to now exclude Activity 2 and 8 of the Listing Notice 1. ii. Specialists assessed the revised project layout and description which listed the project components which have informed the identification of impacts assessed in Section 11 of the EIR. The proposed project activities and components informed the listed activities. iii. Noted. Refer to the revised application form submitted with the final EIR. iv. The listed activities provide sufficient detail to allow for the identification of the correct sub-listings which have informed the assessment. See the description provided in the listing tables in Section 4.3.2 of the EIR b. - i. Noted. Please refer to the EIR phase PP Report appended to the EIR as Annexure I.10. All written comments, as received, are attached to the end of the report.
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			ii. Please ensure that all issues raised, and comments received during circulation of the DSR and the draft EIAR from registered I&APs and organs of the state which have jurisdiction in respect of the proposed activity are adequately addressed in the final EIAR. Proof of correspondence with the various stakeholders must be included in the final EIAR. Should you be unable to attain comments, proof must be submitted to the Department of the attempts that were made to attain comments. iii. The Comments and Response (C&R) report must be submitted with the final EIAR. The C&R report must be a separate document from the main report and the format must be in table format. Please ensure that all comments made by I&APs are comprehensively captured and responded to clearly and fully. Please note that a response such as “noted” is not regarded as an adequate response to I&APs comments. iv. A copy of the actual comments received from I&APs must be included as a separate appendix in the C&R report. C. Alternatives i. Alternatives are limited to only the preferred alternative. Please provide a description of each of the preferred alternative types and provide a detailed motivation on why it is preferred. ii. The same applied to other alternatives considered and a motivation as to why it is not ideal/preferred. D. Specialist Assessments i. Should the appointed specialists specify contradicting recommendations, the EAP must clearly indicate the most reasonable recommendation and substantiate this with defensible reasons, and where necessary, include further expert advice.	ii. Please find a Comments and Responses Report for the Scoping Phase and EIR Phase appended to the final EIR as Annexure i.8 and Annexure I.11 respectively. Where changes have been made to the final EIR because of comments received these have been described in the Comments and Responses Report and changes to the final EIR are indicated in coloured font, for ease of reference. Please see Annexure I.10 for proof of emails reminding Authorities and stakeholders of the close of the comment period to elicit comments. iii. The Comments and Responses Report for the draft EIR is appended to the final EIR as Annexure I.11. Detailed responses where appropriate have been provided in the Comments and Response Report. iv. A copy of the comments, as received, has been included with the PP Report appended as Annexures I.10. C. i. Alternatives are limited to the preferred and No-Go Alternatives for assessment purposes. The preferred alternative is described in the project description section of the final EIR. A discussion of alternative considerations/types is covered in Section 7 of the final EIR. ii. Motivations as to why alternatives considered were not deemed feasible or reasonable are included in the discussions found in Section 7. The preferred alternative has been determined in response to the issues and constraints identified, the less favourable alternatives are not deemed reasonable as they have not been tailored to respond to the issues and constraints in the manner the preferred alternative does. D. i. Noted. Regarding the issues of grazing on site, the Agriculture and Social specialist have indicated that grazing should be allowed to continue, but the vegetation and biodiversity offset specialists have indicated grazing must be excluded from onsite grassland areas. Due to the critically endangered status of the KZNSS grasslands, the EAP has
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				ii. All development footprints must maintain a buffer from sensitive features as prescribed by the specialists. e. Biodiversity offsets i. The proposed development site is included almost entirely within the Durban Metropolitan Open Space System (D'MOSS). Approval from the eThekweni Municipality: Biodiversity Management Department (BMD) in terms of the relaxation of the D'MOSS must be obtained. ii. Further, the project footprint (351 ha) will impact 349.8 ha of endangered KZN Sandstone Sourveld (KZNSS) in various conditions from very poor to good quality. iii. It is the responsibility of the applicant to determine the necessary Biodiversity Offset Plan in conjunction with BMD and Ezemvelo KZN Wildlife (EKZNW) in this regard once all other aspects of the mitigation hierarchy have been fully exhausted. This must be finalized prior to the submission of the final EIR.	recommended in the EIR that grazing be excluded but does support the recommendation that a study be allowed to determine if rotational grazing and biodiversity objectives are compatible, and the results presented to EDTEA and other relevant stakeholders. Until then, a no-grazing stance shall apply. ii. Relevant buffers recommended by the specialists are provided for in the final layout and proximity-related impacts are reflected in the impact assessments by the various specialists. e. i. Should environmental authorisation be granted, further engagement with eThekweni Biodiversity Management Branch will be required as part of the land use planning approvals processes to seek approval for the amendments to the D'MOSS post-EIA. ii. The "Clearing vegetation and associated disturbance of vegetation related to the development of the footprint" are identified and assessed by the vegetation specialist as a Major (-) Impact before and after mitigation for all project phases and also as a cumulative impact. Due to the Major (-) residual impact, following the application of the mitigation hierarchy, were such that appropriate biodiversity offsets are required if the project is to proceed. The Biodiversity Specialist has consulted with the relevant biodiversity authorities (BMD and Ezemvelo and EDTEA), other specialists and the Applicant and has provided recommendations for Biodiversity Offsets in the Biodiversity offset study appended to the final EIR as Annexures G.9. iii. The Applicant and the appointed Biodiversity Offset Specialist have consulted BMD and Ezemvelo in determining the appropriate and reasonable biodiversity offsets. Minutes of the meetings are included in the EIR Annexure H1, H2 and H3. A description of the approach and application of the mitigation hierarchy is provided in Section 6.12 of the final EIR and indicates how the proposed project footprint was reduced by 55% from 789 ha to 351ha through an iterative consultative process. The Applicant has indicated that no further significant reductions in footprint are possible if the project is to remain financially viable. The Biodiversity Offset study and vegetation study also make recommendations for the rehabilitation and restoration of grasslands and wetlands. All stages of the mitigation hierarchy have been considered.
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			iv. The final EIR must fully detail the application of the Mitigation Hierarchy to ensure that all avenues to address the mitigation of residual impacts are fully exhausted prior to engaging in the offset process. v. The proposed layout in its current form shows a direct and extensive loss of KZNSS. vi. The key issue that was raised in the meeting with the Department was the selection of the offset area for phase 1. The site that they selected does not align with the key areas needing to be protected. As indicated in the meeting the proponent and EAP will need to provide a prioritization matrix for the on-site offset areas based on the conservation value, threat of further degradation, and costs. vii. The offset option must consider these factors and be explored. f. Services i. An onsite sewerage treatment plant will be constructed as an interim measure until the municipal sanitation infrastructure in the region is upgraded to service this project. A detailed plan outlining the impacts related to and the responsibility of this works and associated infrastructure must be included in the final EIR.	iv. The approach and application of the mitigation hierarchy are detailed in Section 6.12 of the final EIR. The Applicant confirms that concessions have brought the project to the edge of feasibility and any further concessions may render the project unfeasible. The mitigation of residual impacts is thus exhausted from the Applicant's perspective. Through this process, most of the study site (72%) and 55% of the developable area has been set aside for conservation and biodiversity offsetting (which does not consider the offsite biodiversity offsets). v. This is confirmed and as indicated in the impact on KZNSS is assessed by the vegetation specialist study as Major (-) (the most significant impact rating possible in terms of the methodology applied) after mitigation for each of the three project phases as well as cumulatively. This project, if it proceeds, will have a significant impact on KZNSS grasslands and this needs to be weighed against the social and economic benefits of the project, alignment with regional spatial planning, and other factors presented in the needs and desirability section of the EIR. The decision maker will need to consider what programmes, resources and capacities exist to protect and conserve the KZNSS grasslands, should authorisation be refused, considering the existing and future pressures and informal activities affecting these areas. vi. Following the meeting with EDTEA to present the draft EIR, the Applicant has considered the issues/concerns raised regarding the sequenced rollout of the Stage 1 Biodiversity Offsets, whereby it was indicated that Site 2b, then Site 2A and then site 1 secured, as needed and in that sequence. The Applicant has conceded this sequential approach to the Stage 1 offsets and has revised the approach so all Stage 1 offset areas would now be secured at once at commencement. This will ensure all sites come under protection and management from the outset and should address the concerns raised. vii. The revised approach should address these concerns. f. - i. The impacts of the WWTP effluent and proposed mitigations are described in Section 11.6 Aquatic and Wetlands. Refer to Impact Table 72. The Applicant and property owners' association would carry the responsibility of the WWTP and additional detail regarding its management will come from the Water Use Licence Application process.
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			ii. All stormwater management must be presented as part of future infrastructure layouts presented in the final EIR. All attenuation must be completely accommodated on each proposed site. iii. The Traffic Impact Assessment (TIA) must satisfy the eThekweni Transport Authority (ETA) requirements. It is noted that the traffic specialist has already engaged with ETA and ongoing engagements will be undertaken to address any issues in terms of traffic impacts. g. Environmental Management Programme (EMPr) i. Please ensure that the mitigation measures specified in the final EIAR, and specialists' reports are also incorporated into the EMPr. ii. In addition, the contents of the EMPr must comply with Appendix 4 of the EIA Regulations 2014 as amended. iii. The EMPr must include the frequency for auditing of compliance with the conditions of the EA and EMPr, and for the submission of such compliance reports to the competent authority. 3. In terms of Regulation 45 of the EIA Regulations 2014 as amended, this application will lapse if the applicant fails to meet any of the timeframes prescribed in terms of these Regulations unless an extension has been granted in terms of Regulation 3(7) of the EIA Regulations 204 as amended.	ii. The stormwater management infrastructure is set out in the stormwater management plan contained in Annexure J.9 and is designed to accommodate and attenuate up to a 1:50-year rainfall event. The stormwater controls and attenuation features per site can only be determined once the end users' detailed site plans are known. But all site stormwater controls and attenuation must feed into and not overload the precinct-wide stormwater management systems. iii. The Traffic specialist (Dave Macfarlane) engaged with ETA, SANRAL and KZN Department of Transport, as part of the Phase 1 TIA. Ongoing engagement, refinements to the Phase 1 TIA and additional studies (if required) will need to be discussed and approved by the 3 Traffic Authorities (post-EIA), prior to any development applications being submitted in terms of the Spatial Planning and Land Use Management Act (SPLUMA, 2013). The ETA will be one of many departments within eThekweni Metro, who remain responsible for the commenting and approval of development applications. g. - i. All mitigation measures proposed by the specialists have been incorporated into the EMPr. ii. Refer to Table 1 in the EMPr (page 9) which sets out the requirements of Appendix 4 of the EIA regulations and indicates where in the EMPr each of the requirements has been addressed. iii. A Section has been added to the EMPr regarding EA compliance audits in terms of Regulation 34 of the NEMA EIA Regulations (as Amendment). Regulation 26(e) indicates the frequency for audits is to be stipulated in the EA. The EAP suggests the frequency be set as annual during the construction and operational phase. We note the timeframes associated with the Scoping and EIA and the option to apply for an extension in terms of Regulation 3(7) if required and per the conditions stated. 3. Timeframes are noted. The EAP calculates the submission of the final EIR must take place by 4 August 2023.
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Issue	Name	Format	Date	Question / Comment	Response (EAP, Applicant, Specialists and Engineers)
				4. You are hereby reminded of S24F of the National Environmental Management Act, Act 107 of 1998 as amended, that no activity may commence prior to an environmental authorisation being granted by the Department.	4. We note that no activity may commence prior to the granting of the Environmental Authorisation and any associated appeal process.
MHI	Mogie Govender	Email	14 June 2023	In response to the notification of the proposed rezoning and subdivision of Assmang-owned land please see the comments below: 1. NCP Chlorchem located at 2001 Old Main Road, Cato Ridge, KwaZulu-Natal GPS co-ordinates: 29°43'28.75"S 30°37'22.75"E has been defined as a Major Hazard Installation Premises based on the handling of chlorine (i.e., 17 tons, 1 ton and 70kg) as per the assessment conducted by a registered MHI Approved Inspection Authority (AIA), ISHECON. 2. Chlorine is transported to the NCP Premises via road from the manufacturing site located in Chloorkop Kempton Park. 3. Based on the MHI conducted Assmang Cato Ridge located 1 km to the northwest of the NCP premises falls within the nearby locations that can be impacted should there be a catastrophic incident at NCP resulting in the release of chlorine. [additional information from PP Facilitator Rose Owen] – In addition to the above, in discussion with Mogie (SHEQ manager at the NCP Chlorchem site), it was raised as a concern that their site and their site effluent, and stormwater runoff potentially fall within the potential effluent, WWTW and stormwater runoff for the Cato Ridge project. They need to be considered and a discussion held between them, and the storm water engineers to ensure that the runoff from the project sites does not cause contamination and elevated results where they are sampling. And if there is contamination, how can they ensure they are not held responsible?	Thank you for submitting comments on the draft EIR and subsequent telephone discussion on 21 June 2023. As discussed, as the EAP, I will not be entering into an NDA to access confidential information as my interest is restricted to that which can be disclosed publicly via the EIA process. The Request for NDA has been forwarded to the Applicant (CRDC/Assmang) who will pursue the NDA further with you to receive the MHI information (this engagement will take place outside the EIA process). In response to your comments. NCP Chlorchem's MHI status is noted and the proximity of the proposed Cato Ridge Land Release and Development Project, with a portion of Phase 1 and Phase 3 of the proposed project occurring within 1km of the Clorchem facility (As shown in the screen grab below). 
					As discussed, we will include a statement (below) in our EIA and EMPr so the applicant and any prospective end-users within the 1km radius are aware of the following:

Issue	Name	Format	Date	Question / Comment	Response (EAP, Applicant, Specialists and Engineers)
					<u>NCP Chorchem MHI Facility</u> End-users situated within 1km of the NCP Chlorchem Major Hazardous Installation (MHI) located at 2001 Old Main Road, Cato Ridge, KwaZulu-Natal GPS co-ordinates: 29°43'28.75"S 30°37'22.75"E must be made aware of the presence of this facility when securing sites or lease agreements. The facility receives (by road transport), stores, and handles compressed chlorine gas. All areas within 1km of the site may be impacted under a catastrophic or worst-case scenario incident. Consequently, landowners would need to cooperate with NCP Chlorchem regarding their emergency provisions and plans and provide NCP Chorchem with the following information for their emergency planning: • The type of industry and general activities taking place on their site. • Number of staff on-site; and • Emergency contact information Regarding the Effluent discharge points and monitoring concerns: The CRDC effluent discharge point will be an engineered outlet structure. Water quality monitoring is required as part of the EMP and WULA requirements. Monitoring of effluent (Stormwater and WWTW) discharges from the proposed Cato Ridge precinct must take a point discharge sample from the discharge point as this will allow for the isolation of any pollutants. Should there be any exceedances in the monitoring results, NCP Chlorchem and CRDC should collaborate in identifying the source of pollutants.
Submission of written comments	Dominic Wieners	Email	14 June 2023	Dear Patrick Many thanks for the opportunity to comment on this application. Please note that this application was only able to be tabled to our internal committee this morning. Given that, I would like to request an extension until tomorrow morning as I will need to get my letter signed off by a colleague before sending it through, as is our process. I trust this will be acceptable to you? Kind regards, Dominic Wieners	Dear Dominic, An extension on commentary until tomorrow is no problem and Ezemvelo's inputs are critically important for this application. Also, you may be interested to know that following our meeting/presentation on 29 May, a discussion took place between the applicant and the biodiversity specialist, and they have elected to adjust their approach to the biodiversity offsets in the final application, which I believe may address some of the concerns discussed. The key changes are: 1. The Applicant will no longer be implementing the Stage 1 offsets (i.e., the onsite offsets) in stages (i.e., Site 2B, then 2A and then 1) but rather have decided to secure all the Stage 1 Biodiversity offset areas up front at commencement.

Issue	Name	Format	Date	Question / Comment	Response (EAP, Applicant, Specialists and Engineers)
					2. The applicant has decided to revoke their request to negotiate the offset ratios for the stage 2 offsets in future, due to the uncertainty this creates. Thus, they have agreed to the biodiversity offset specialist's recommendations for offset rations for the stage 2 offset areas as per the biodiversity offset report. The Biodiversity Offset Study (Cashflow and programme) and EIR will be updated to reflect these changes. Thanks for letting us know about the delay on your side and we look forward to your comments tomorrow.
	Greg Mullins (eThekweni Metropolitan Municipality)	Email	14 June 2023	Good day Patrick The changes are noted - however this directly affects much of the draft comment we have already prepared on this matter and without specific detail - around these changes it is difficult to present meaningful comment on the draft reports now. I assume that the changes to the EIR you indicate will still be part of the draft circulation? otherwise I&AP's will be seeing new information for the first time as part of the final reports which does not allow for meaningful engagement on the substance and prejudices the ability of authorities to input on the amendments. we look forward to your response Greg	Dear Greg, My foregoing email to Dominic should not affect your written comment on the draft EIR in any way. To clarify, and based on engagements with the EDTEA, comments must be based on the draft EIR as provided at the start of the comment period. Please do not alter your comments in light of this additional information I shared as this was intended purely for information purposes and to keep you as key stakeholders up to speed on the latest thinking and possible direction for the application going forward. Only once we have all comments in hand and determine the full extent of the updates required, including those items described below, can we determine if the changes are substantive. However, the potential changes described in the email below are in response to the concerns raised by EDTEA and Ezemvelo Wildlife during the current comment period on the Draft EIA Report. With EDTEA's guidance, we will then determine if the resulting updates are substantive and warrant further public engagement or if these can be included in the final EIR as a response to concerns raised. We will include these email communications in the Comments and Response Report for EDTEA's consideration. Zutari will, in any event, make the final EIR, reflecting changes, available online for stakeholders' information. I trust this clarifies matters. Regards, Patrick Killick

Traffic	SANRAL: Mr Dumisani Nkabinde (Regional Manager Eastern Region)	Letter	14 June 2023	NATIONAL ROUTE 3 – SECTION 02 DRAFT ENVIRONMENTAL IMPACT REPORT (EIR) FOR THE PROPOSED CATO RIDGE LAND RELEASE AND DEVELOPMENT PROJECT, ETHEKWINI METROPOLITAN MUNICIPALITY, KWAZULU-NATAL (EDTEA REF: DM/0006/2023: KZN/EIA/000) The South African National Road Agency SOC Limited (SANRAL) has reviewed your submission, titled “Draft Environmental Impact Report (EIR) for the proposed land release and development project (EDTEA Ref DM/0006/2023:KZN/EAI/000)”, dated 12 May 2023, and read with the Traffic Impact Assessment (TIA) report by Dave McFarlane and Associates (revision 5, dated March 2023. SANRAL is currently not in support of the above-referenced development and the environmental application, due to concerns identified during the review of the submissions. The applicant is advised to revise and resubmit the subject EIR and TIA for SANRAL to review / consider this application further. SANRAL comments and concerns are summarised herein. Part A – Environmental Impact Report (EIR) 1) Road upgrades a) It is noted in the report that SANRAL will be responsible for the upgrade of the R103 from the proposed new N3 / KwaXimba Interchange up to Eddie Hagen, incorporating an additional lane in both directions (Page Vii, Paragraph 8, “Road upgrades”). b) It is also implied, in the same paragraph as referenced in 1a above, that SANRAL will have shared responsibility, together with eThekwin Municipality and KwaZulu-Natal Department of Transport (KZNDOT), to fund and implement the proposed new KwaXimba Interchange and the connector/distributor roads necessary to support the proposed new interchange. c) It needs to be clarified that that SANRAL has not committed to fund the upgrade of the R103 nor the proposed new KwaXimba Interchange. It is SANRAL’s view that the interchange, and the supporting road network, is required to unlock development potential in the Cato	Part A 1) a) Yes. b) Noted. we have changed this wording to remove the implication of “funding” of the required upgrades. The funding of the upgrades will need to be determined in line with TMH 15 Service Contribution Manual and eThekwin Development Charge Policy 2023/2024 c) As stated above, we have adjusted the wording to not imply SANRAL and other roads authorities carry the funding responsibility. The funding for these road upgrades must be determined in accordance with the TMH 15 Service Contribution Manual and eThekwin Development Charge Policy 2023/2024
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			Ridge area. As such the developers and/or eThekweni Municipality (who are empowered to collect rates and taxes from land developments) should provide or facilitate funding for such road infrastructure improvements, as would be the case with other bulk infrastructure required to support proposed land developments in the area. d) It also needs to be noted that SANRAL's main role, with regards to the KwaXimba Interchange is to ensure that the designs for the N3 upgrade packages, currently being rolled out, accommodate a future implementation of the proposed New KwaXimba Interchange, so traffic interruptions can be kept to a minimum along the national route when such an interchange is implemented in the future. e) As a custodian of the national road network, SANRAL stands ready to partner with eThekweni Municipality, KZNDOT, and/or property developers in the area, as an implementing agent for the proposed new interchange, subject to funding being made available for the project (e.g., through developer contributions, bulk engineering contribution, development finance institutions, etc). f) It needs to be further clarified that SANRAL has not made any financial commitment to the implementation of the interchange, nor the supporting road network required to facilitate access to and from the new interchange. 2) Site layout (Figures 3, 5 and 15) a) The proposed development layout, for the proposed development labelled as Phase 1, will potentially compromise the proposed future grade-separation of the R103 / Eddie Hagen Intersection, as reported in the Strategic Transport Study (STS) for the Cato Ridge Logistics Hub, by SMEC, dated April 2019 and amended in November 2019.	d) The Applicant has been made aware of SANRAL stated role. All road upgrades will need to be determined in cooperation with the relevant road's authorities and other potential stakeholders in the area as the upgrades would need to accommodate general development in the Cato Ridge area. Proposed upgrades would need to be designed in collaboration and with SANRALs approvals and guidance. e) Thank you for the clarifying SANRALs commitment to work with the Applicant and other roads authorities in the Cato Ridge area. f) As above, funding for the road upgrades must be determined in collaboration with all stakeholders and via the mechanisms provided. It is understood that the road network upgrades may also be different to those described in the EIR as other factors may need consideration. Should any of the road upgrades not be possible then the project roll out may need to pause until the requisite capacity can be provisioned. This will require periodic monitoring and evaluation of the traffic volumes on various routes in the Cato Ridge Area and updating of the planned road systems. 2) a) The SMEC STS regarding the R103 / Eddie Hagen Drive intersection is not a published document and we cannot consider / comment on its findings. Ongoing engagements with all Transport Authorities will be required as the project progresses. CRDC will continue to engage and align with the various traffic authorities and should additional studies be required, CRDC will consider its participation for the studies needed to inform the final approach to traffic in the regional context.
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			b) In terms of the analysis in the SMEC STS, the R103 / Eddie Hagen grade separation is critical to the safe and efficient operations of the proposed KwaXimba Interchange and National Route 3 mainline traffic. c) The site layout should be amended to allow for future upgrades of the R103 / Eddie Hagen Intersection into a grade-separated interchange (which is currently envisaged as a quarter link, in terms of the SMEC STS (November 2019). d) The latest designs, for the proposed KwaXimba interchange, including supporting roads up to the R103 / Eddie Hagen intersection, should be superimposed on the proposed site layout plans, to ensure that the roll out of the future road network is not compromised by development site layout proposals. e) The site layout for Phase 3, as labelled, does not indicate access to the SANRAL-owned quarry site, also known as the Harrison Quarry. The applicant is requested to indicate the access route to the quarry, as per agreements between SANRAL and Assmang. f) Site layout should also indicate access options for the Bakers Transport Development. 3) Development Phasing a) Three phases are proposed for the development, as summarised in Table 2 of the EIR. b) The TIA did not contain any traffic assessment for the phased roll out of the development, as required in TMH16 Volume 1 (Section 2.4.1) and ETA TIA Manual Section 4.3.9. c) Both the TIA and the EIR should be revised to demonstrate detailed traffic and transportation assessment of the proposed phasing, including assessment of each year where all the phases are expected to be complete, as per the TMH16 requirements.	b) As mentioned in response to point 2)a), the applicant does not have access to the SMEC STS. c) CRDC will need to accommodate future upgrades at the R103 / Eddie Hagen intersection. This will require rearranging other infrastructures but would not impact the overall footprint from the EIA perspective. d) The Northern leg of the KwaXimba Interchanges is shown/provisioned for in the layout plan once the applicant has the latest layout the Applicant can then engage with the traffic authorities to agree on a way forward. e) CRDC has engaged SANRAL in this regard and has submitted a suggested layout to the body corporate of Cato Zulu industrial park, Shiptech Petroleum and SANRAL in March 2023 with a draft MOA, for servitude to access the Harrison quarry. Refer to Figure 1 at the back of this table. f) Bakers Transport is a private company located outside of the project development footprint and its access is not part of this EIA application or the responsibility of CRDC. 3) a) Context. b) and c) It is envisaged that further traffic and transportation assessments to unlock the broader Cato Ridge region, will be undertaken beyond the EIA stage of the project
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			d) On page 16 of the EIR, under the heading “External upgrades that are required to unlock Phase 2 but are not part of the application”, the following is reported: i) “It is recognised that the Traffic Impact Study is based on assumed future end users to determine potential traffic flows and volumes. It also assumes that no further developments will be undertaken in the Cato Ridge region, concurrent to this Project. It is recommended that as increments of development areas are unlocked, updated traffic counts and traffic models are completed to verify the actual road capacity at the time, before any road upgrades.” e) SANRAL is of the view that the above-quoted statement, if supported, will constitute an unfair advantage to the applicant and is beyond the control of the applicant. As such, this type of wording should be removed from the report and the developer should assume full responsibility for providing the transport infrastructure that is required to support the proposed development. 4) Upgrades attributed to KZNDOT a) There are several instances where responsibility for upgrades of some roads, which are critical for the proposed development and other future developments in the area, is apportioned to the KwaZulu-Natal Department of Transport (KZNDOT). b) SANRAL requires written confirmation from the KZNDOT that the department accepts the apportioned responsibility for the said upgrades and provides an indication of budgets and timelines for implementation of such. This confirmation should be forwarded to SANRAL and appended to the EIR and/or TIA report. 5) Environmental Impact Assessment - Traffic a) A traffic-related environmental risk is recorded as follows:	d) Context i) The intention of the statement is to convey the importance and requirement for the Applicant to and relevant Transport Authorities to be aware of actual traffic volumes and road use as the project advances so that any plans upgrades are responsive to the actual demand of the project but also those of surround land users. We believe this is a responsible approach and will ensure the Applicant is fully aware of traffic volumes and constraints. This statement does not imply other developments are precluded, in fact it is suggested so that the local traffic needs are adequately considered, and upgrades respond to actual needs of all road users. e) The Applicant cannot assume full responsibility for local roadways as they are not for the exclusive use of the project but as a major role player in the Cato Ridge area the Applicant must contribute and align to the required transport studies and infrastructure as per the TMH 15 Service Contribution Manual and eThekwin Development Charge Policy 2023/2024. 4) a) These inferences to the respective transport authorities have been reworded. The responsibility and financial contributions by the various parties would need to be determined in accordance with the TMH 15 Service Contribution Manual and eThekwin Development Charge Policy 2023/2024 b) These inferences to the respective transport authorities have been reworded. The responsibility and financial contributions by the various parties would need to be determined in accordance with the TMH 15 Service Contribution Manual and eThekwin Development Charge Policy 2023/2024. 5) a) Context
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			i) “Traffic, all development phases – Operation Impact. The demand for the transportation of people and goods will increase proportionately.” b) As the applicant has not demonstrated commitment to providing all necessary capacity to accommodate the full extent of the proposed development, SANRAL considers the identified risk as unmitigated, and the risk rating should be reflected as such. c) The applicant needs to demonstrate that there are necessary funding commitments and realistic timelines are put forward, which tie in with the proposed development phasing, for the necessary supporting transport infrastructure to be implemented and which will support the rollout and operations of the proposed development. Part B – Traffic Impact Assessment (TIA) 6) In terms of the TIA report Table 4, the proposed development is expected to generate over 4,130 peak-hour vehicle trips (with trip reduction factors applied). 7) This development is therefore considered a major trip generator, potentially impacting a significantly wide area than has been considered. 8) In terms of the ETA Manual (Version 0.1, 2015), Section 4.3.9, a planning horizon year assessment should have been carried out, and with mandatory use of traffic simulation modelling. 9) As reported in the proposed development TIA report, only local area TIA assessments were done, without the context of a Strategic Transport Study nor wider transport master planning. 10) Despite many references to the Hammarisdale Interchange, no traffic analyses were carried out for this interchange nor its interchange terminals.	i) Context b) The responsibility and financial contributions by the various parties would need to be determined in accordance with the TMH 15 Service Contribution Manual and eThekweni Development Charge Policy 2023/2024. The project development would be constrained by the road capacity if the additional required capacity cannot be provided in time which will also be affected by other development in the Cato Ridge area in the coming decades. c) The responsibility and financial contributions by the various parties would need to be determined in accordance with the TMH 15 Service Contribution Manual and eThekweni Development Charge Policy 2023/2024. Part B - The following response relates entire Part B – TIA The Traffic specialist (Dave Macfarlane) engaged the ETA, SANRAL and KZN Department of Transport, as part of the Phase 1 TIA. A phase 1 TIA was identified in the scoping phase as the appropriate level of study for the purposes of the EIA. Ongoing engagements, refinements to the Phase 1 TIA and any additional studies (if required) will need to be discussed and approved by the 3 Traffic Authorities (post EIA), but prior to any development applications being submitted in terms of the Spatial Planning and Land Use Management Act (SPLUMA, 2013). The TIA is undertaken to inform the EIA process and assist in defining a development footprint and to assist in the taking of an informed decision. Once the development footprint is known, a Strategic Transport Study (STS) can be undertaken on that basis. CRDC will consider its contribution to an STS study once a final footprint has been determined. 9) See general response to Part B 10) See general response to Part B
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			11) There was no transport demand modelling, mesoscopic or microscopic simulation modelling done as part of the TIA. 12) The assessment of the spare capacity at the existing Cato Ridge Interchange was not supported by intersection capacity analyses and did not consider the impact of other known future developments in the area, whose TIAs have already been presented to road authorities for approval. 13) The assessment of the proposed development phasing was also not supported by intersection capacity analyses, which is a departure from the TMH16 and ETA TIA manual requirements. 14) Although the last phase of the proposed development is expected to be rolled out in about 21 to 25 years, there was no 20 (or so) design/planning horizon year assessed as part of the TIA, which is also a departure from the requirement of TMH16 that requires that analysis be carried out for the year in which each phase of the proposed development is completed (TMH16 Vol 1, Appendix B2.1). 15) During trip generation estimates, a further 25% trip reduction was applied to the trip generation rate, without any concrete plans to improve rail system operations., which would otherwise be required to reverse the exodus of rail-friendly freight from rail to road, as observed over the last 35 years or so, since the deregulation of the road freight industry. 16) It is therefore unrealistic to expect a 25% freight mode shift from road to rail in the next 10 years (current TIA design horizon), without some significant rail system improvements from both the rail system operator and land development sides. So SANRAL considers this reduction factor, on consideration of road-rail freight traffic mode shift, a major risk to the national road network and has the potential for truck queues to spill onto the national road	11) Ongoing engagements with all Transport Authorities will be required as the project progresses. CRDC will continue to engage and align with the various traffic authorities and should additional studies be required (including a transport demand model), CRDC will consider its participation for the studies needed to inform the final approach to traffic in the regional context. 12) Noted and will be included in future upgrades of the TIA post the STS. 13) Noted and will be included in future upgrades of the TIA post the STS. 14) Noted and will be included in future upgrades of the TIA post the STS. 15) This would need to be determined in an STS. See general response to Part B 16) This would need to be determined in an STS. See general response to Part B
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			(as is current the case in Richards Bay and Lynnfield Park, where there is illegal truck staging on national roads, due to inefficient port operations and/or staging facilities' efficiencies). 17) The rail reduction factor should therefore be removed from further traffic analyses unless agreed otherwise with all affected road/transport authorities (SANRAL and Transnet Freight Rail (TFR) included). 18) Therefore, SANRAL is of the view that the assessed study area, traffic assessment tools, and overall scope of the TIA are inadequate and disproportional to the potential impact extents of the proposed development. 19) SANRAL, then, requires a Strategic Transport Study (STS) to be carried out in support of the proposed development. A TIA should also be revised and resubmitted to SANRAL, and other road authorities for approval, prior to the environmental impact assessment application being submitted to the relevant authorities for further consideration. 20) Both the STS and the revised TIA should consider approved latent land use developments, and traffic from other known future developments in the area, as will be confirmed by the eThekweni Municipality, in consultation with SANRAL and KZNDOT. Part C – General conditions, disclaimers and caveats 21) Should any of the services (bulk water, electrical and sewer main) fall within 60m of the SANRAL national road reserve boundary, a separate application in respect of encroachment shall be made to SANRAL. 22) In respect of any application for sub-divisions and rezoning, the applicant shall submit the relevant Town Planning submissions for SANRAL approval. 23) All costs in connection with the establishment of the development, whether inside or outside the national road	17) See general response to Part B 18) It was agreed with the traffic authorities that a Phase 1 TIA was the appropriate level of study to inform the EIA. It is recognised that further studies may be required, and suitable traffic assessment tools will need to be considered in the scope of those studies. CRDC will consider its contribution to the completion of these studies. 19) If STS is required, CRDC will consider its contribution to the studies. The purpose of the TIA was intended only to inform the EIA and help determine the project footprint and resultant traffic impact. Once the viable project footprint is known, the additional strategic and or detailed studies can be initiated to work out the details for the project and the wider Cato Ridge area and to foster alignment with the proposed SIP 2 corridor objectives. 20) Further studies will be required to ensure road upgrades cater for the proposed project as well as other developments in the area. As the rate of roll out is will take up to 25 years and the end users are unknown (heavy traffic generators or not), road upgrades will need to be adaptive and respond to the demand as this becomes more clear and other development pressures crystallise. Part C – We note all the requirements, and these will need to be included in the various road infrastructure upgrades that are submitted.
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				reserve, shall be borne by the Applicant. This also refers to any land requirements for road infrastructure. 24) The applicant accepts debit for all costs which may be incurred by SANRAL for any works within the national road reserve necessitated by the construction of the access, or non-compliance with any condition of stipulated herein. 25) SANRAL reserves the right to direct at any time in the interest of road safety that the access be closed, altered or relocated. 26) SANRAL shall not accept any financial responsibility or liability for any claim from the applicant which may arise from: a) The establishment, closing or alteration to the proposed development, development access or anything related thereto. b) The amendment or cancellation of any condition or the imposition of any new condition. c) Any alteration to the national road. 27) The application will be considered further upon re-submission and review of the outstanding documents, as discussed above. 28) This correspondence does not exempt the applicant from the provisions of any other law.	
Biodiversity	KZN Ezemvelo Wildlife	Letter	15 June 2023	PROPOSED CATO RIDGE LAND DEVELOPMENT AND RELEASE PROJECT District Municipality: eThekweni The Draft Environmental Impact Assessment Report (DEIR) for the abovementioned application has been reviewed by the Ezemvelo KZN Wildlife (Ezemvelo) IEM Planning Committee. While Ezemvelo does not in principle object to some development on the proposed site, the proposal as it is currently presented has fundamental concerns which are detailed below.	EAPs overview: In the EIA the loss of vegetation is assessed as significant or Major (-) both pre- and post-mitigation and no higher rating can be assigned. The loss of critically endangered vegetation cannot not be supported without adequate biodiversity offsets and when viewed from a biodiversity perspective alone. However, decision makers must weigh all aspects including the social and economic benefits that may arise from the project, its linkages with other strategic projects (i.e., back of port facility and SIP 2 corridor). When weighed with (1) the dire social and economic development needs in the Cato Ridge area and province, (2) the strategic location and

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				1 ANALYSIS OF POTENTIAL BIODIVERSITY ISSUES 1.1 Offset report Throughout discussions and meetings with the Environmental Assessment Practitioner, Specialists and Applicants, Ezemvelo has re-iterated upholding offset principles, including inter alia type of offset, the applicability of offset vs compensation and location of offset (these principles are best practice and based on best available information). The offset report has outlined an untested approach to offsets in order to ostensibly reduce the on the ground offset required in order to realise the extent of development proposed. The rationale put forward is that anything less than the development footprint proposed would not be feasible at economies of scale. However, it must be initially noted that current offset principles and best practice according to most recent National guidelines recommend that no offset is acceptable for areas identified as Critically Endangered <i>[Footnote: Residual impacts on irreplaceable biodiversity cannot be offset – Where there are no options left in the landscape to counterbalance a residual impact in accordance with the ecological equivalence (like-for-like) principle (see above), that residual impact cannot be offset. That is, there would be a residual impact on irreplaceable biodiversity, which would prevent national biodiversity targets from being met. In these cases development would generally not be acceptable and the impacts should be avoided. Ecological compensation for residual impact which cannot be offset should only be considered only in highly exceptional circumstances, when there are imperative reasons for overriding public interest. 9 Ecological compensation requirements should be punitive in scale and cost – National Offset Guidelines 2022].</i> It is therefore submitted that any residual impacts would need to be compensated for, rather than offset as is currently proposed in the document. The untested, and unsupported, approach continues with applying a “Hectare Equivalent” (HaE) condition assessment, based solely on floristic diversity as a measure	topography of the site and linkages with other strategic projects, (3) overarching conclusions by the various contributing specialists (and noting the vegetation specialist does not support the loss of vegetation), and (4) the pre-existing pressures on the site from various informal activities, the EAP is of the view that the project could be allowed to proceed if the mandated authorities can reach agreement on the proposed biodiversity offsets. The EAP is of the view that Applicant has made concessions to the project layout during the impact assessment process in response to the constraints identified by the various specialists. The EAP believes the biodiversity offset specialist engaged widely and has presented a reasoned approach to identifying appropriate biodiversity offsets. The Competent Authority must weigh the need and desirability of the project with the potential positive benefits against the negative impacts to determine what is reasonable. The Biodiversity specialist Doug Macfarlane has responded collectively to the comments raised by KZN-EDTEA, EKZNW and EBMD (The original comments are appended to this CRR) but included here verbatim for ease of reference). <i>Zutari submitted a Draft EIA Report for the proposed Cato Ridge Land Release and Development Project. A suite of responses was received from the regulating and key commenting authorities, many of which related to the biodiversity offset report prepared by Eco-Pulse Environmental Consulting Services. Rather than responding individually to the comments provided, I have taken the liberty to prepare a formal response that can be shared with stakeholders. This response has been structured based on common themes outlined across several of the submissions received.</i> i. Avoidance of Critically Endangered KZNSS has not been adequately addressed. <i>Both EKZNW and EBMB emphasize the importance of maintaining remaining areas of KZNSS to meet conservation targets. The location of these priority areas is well articulated in existing provincial and municipal conservation plans, and it is acknowledged that such areas should ideally be avoided to secure areas of critical biodiversity and the ecosystem goods and services provided by these areas.</i> <i>Unfortunately, given the high demand for development in eThekweni, there is and will continue to be a conflict between conservation and development. This potential for conflict in the short-to-medium term</i>

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				of condition. It is submitted that HaE has only been used in wetland offsets, and such have only been supported where multiple criteria are applied to assessing the condition of the wetland, including the “Opportunity Loss” <i>[Footnote: Any land-use change application that did not transform wetlands would be subject to ensuring that wetlands are appropriately buffered and managed, which is in line with the principles of NEMA and, in particular, “Duty of Care”. If the offset area does not take into account the 'opportunity loss' of a wetland, it would appear that the individual whom is permanently transforming a wetland is not having to achieve the same goal as an individual who has been able to mitigate his/her impacts and appropriately manage the rehabilitated wetland, therefore the full residual impact has not been offset.]</i> multiplier. Opportunity loss calculations would not be able to be applied to grassland environments, given that their rehabilitation occurs over geological time rather than a comparatively very quick rehabilitation time for wetlands. Ezemvelo have repeatedly commented in meetings that a HaE approach for terrestrial environments is not supported, and certainly do not support undertaking a pilot assessment of whether it could be considered in the future in a critically endangered ecosystem. The Environmental Assessment Practitioner (EAP) and the author of the offset report undertake an iterative approach to applying the mitigation hierarchy, and successfully exclude many of the most sensitive areas on the landholdings belonging to the applicant. It is submitted that in typical applications this would be considered “avoidance” in the application of the mitigation hierarchy. The offset report however makes this avoided-land available as selection for offset receiving areas, what ostensibly amounts to double dipping - this land belongs to the applicant. In a further effort to reduce the compensation required (you are reminded that compensation in these situations is recommended to be punitive, and cost of the offset should not be a reason to discount or reduce the amount of compensation required),	<i>was demonstrated by undertaking an exploratory investigation to assess the potential implications of current land use plans on the future conservation of KZNSS in the Metro (Annexure C of the offset report). This built on work previously undertaken in 2015 as part of a process to explore the potential of establishing a conservation banking scheme in the Metro [Macfarlane, D.M., Van Deventer, R., and Von Hase, A. 2015] which had suggested that there was likely to be a deficit of offset land available to compensate impacts to KZNSS of in excess of 25 000 Ha in the Metro if a 30:1 ratio was applied to areas already earmarked for development in the Metro’s planning schemes. This assessment was revisited during the inception phase of offset planning to accommodate more recent data and to cater for reduced impacts in areas where development plans conflict with the DMOSS layer.</i> <i>This assessment confirmed the high levels of transformation of this vegetation type and showed that there is in the region of 12500 Ha of KZNSS remaining within the eThekweni Municipality, with more than 50% of these areas occurring at higher elevations above 450m.a.s.l. This translates to approximately 15% of its historic extent which is consistent with a classification of Critically Endangered in the city limits. Despite existing conservation efforts, only 2% of the original extent is currently under any form of conservation further highlighting the critical need for enhanced conservation of this vegetation type.</i> <i>The assessment also illustrated that the implementation of the <u>current zoning scheme alone</u> [i.e. other existing rights], and factoring in notable modifications in layouts to cater for earmarked DMOSS areas could trigger offset obligations in the region of 19 000- hectares¹ when applying offset ratios of 30:1. When broader land use planning tools are also considered in areas not covered by existing zoning schemes, this figure rises to more than 30 000-hectares.</i> <i>The assessment also provides an indication of the land that could theoretically be secured to meet like-for-like offset obligations for impacts on KZNSS in the Metro. This suggests that remaining grassland fragments not targeted for development could serve to secure close to 8000-hectare equivalents of KZNSS. Given the small size of most fragments, and competing development aspirations, securing even 3000ha within the metro is likely to be challenging.</i>

¹ [Note by EAP: This offset area relates to the full LAP area at a 30:1 offset ratio and not the the proposed project footprint.

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				the author of the offset report brings in the principle of locating offset receiving areas as close to the area of impact, and the notion that land purchase options are “7 times more expensive” within Ethekewini Municipality than outside the Metro bounds. In other words, any area contributing to the offset should be reduced by a factor of 7 to compensate for the increased cost of the offset receiving area. It should be noted that the applicant is not spending any finances on purchasing the offset receiving areas initially proposed as receiving areas, and so it is questioned why this factor is being applied, while at the same time double dipping on areas which have been set aside as part of the avoidance aspect of the mitigation hierarchy. This is not in keeping with best offset practice, and may be considered to be a lack of independence on behalf of the author of the offset report. The author of the offset report also takes the discounting of the Critically Endangered vegetation type a step further by including wetlands, Eastern Valley Bushveld and Scarp Forest areas at varying adjustment factors as part of the calculation for the amount of like-for-like area. It is submitted that neither of the areas considered are of any additional conservation value, since, as with the Sandstone Sourveld areas set aside as part of the mitigation hierarchy, these areas were also set aside as undevelopable and sensitive. It is therefore another example of double-dipping. This approach is unsupported by Ezemvelo. 1.2 Other biodiversity features on the site It is noted that the wetland areas have been delineated and buffered, but in some instances, the buffer is reduced, with little to not rationale provided for why this is so, except that the development footprint encroaches in these areas. It is submitted that any reductions in buffer width from what is generally accepted, in particular in areas associated with high biodiversity constraints (and not only water quantity and quality objectives), need to have a strong rationale for such reduction.	<i>It was on this basis that the need to consider a revision in offset policy for KZNSS in the eThekewini Metro was recommended to EBMB and EKZNW early in the offset planning process. The need to apply a tailored approach to offset planning within a rapidly urbanizing context was further motivated with reference to the Western Cape Offset Guidelines. In these guidelines, requirements for the size of biodiversity offsets inside an urban edge are substantially lower than those required outside the urban edge. Indeed, the application of offset ratios within or inside a recognised urban edge are 1:1 for Endangered ecosystems and 2:1 for Critically Endangered ecosystems. Reference was also made to the innovative approach taken by the City of Cape Town’s Biodiversity Management Branch to prepare a Conservation Implementation Plan for the Cape Flats Dune Strandveld vegetation type in order to address the strategic compromise needed between competing development and conservation aspirations.</i> <u><i>Whilst avoiding significant impacts to KZNSS is desirable from a conservation perspective, there is a need to adopt a sustainable development perspective that seeks to balance conservation with social and economic development aspirations in the Metro. This is lacking from the current offset guidelines, particularly within rapidly developing urban areas and it is on this basis that the offset proposal for this development deviated from existing guidelines. Ultimately whether an appropriate balance is presented through the development and accompanying offset proposal will need to be evaluated by the regulating authority.</i></u> ii. Critically endangered habitat cannot be offset <i>The offset specialist agrees fully that significant impacts to CR ecosystems should only be approved for projects that have “Imperative reasons for overriding public interest”. This is a matter that will need to be carefully considered when evaluating the application whilst seeking to also balance social and economic factors.</i> <i>The comment made by EKZNW that “any residual impacts would need to be compensated for, rather than offset as is currently proposed in the document” is regarded as semantics rather than being of any practical value, however. It is also worth noting that DFFE have indicated that the approach to “ecological compensation” has been changed in the National Offset Guidelines which has recently been approved by the Minister.</i>

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				2 Conclusions While Ezemvelo is cognizant that some development might be supported on the proposed site, given that the substantial negative impacts of the proposed development (as detailed above), have not been adequately addressed in the Draft EIR, and, the proposal as it currently stands, including the unsupported approach to offsetting cannot be supported. 3 Recommendations and the way forward It is strongly recommended that the DEIR be withdrawn, given that the offset/compensation proposals are a fatal flaw in this proposal. The applicant will need to revisit the offset/compensation proposal in total, and resubmit for decision-making. Ezemvelo requests that this proposal be tabled at the Department of Economic Development, Tourism and Environmental Affairs (EDTEA) internal Department of Environment Working Committee given the concerns raised above, and the severe negative impacts that the development as currently proposed are likely to have on the ability of the Province to meet their conservation goals and targets. Should the EDTEA choose to set this comment aside, Ezemvelo requests a copy of the Draft Environmental Authorisation as per the DRAFT ROD agreements in place.	Indeed, the updated guideline notes that “Ecological compensation can be described as the outcome of measurable actions to protect, rehabilitate and manage priority biodiversity, aimed at compensating for residual negative impacts on biodiversity and ecological infrastructure but is not designed to counterbalance those impacts.” <u>In this instance proposed offset actions are specifically designed to counterbalance the residual negative impacts of the development through increased protection and appropriate management of KZNSS. As such, offset actions are regarded as appropriate for this application.</u> iii. The concept of applying a hectare equivalents approach that integrates a measure of habitat quality is untested and unsupported. It must first be pointed out that the provincial offset guidelines do allow for adjustments to be made to offset calculations based on habitat condition. It is noted in particular that “The condition of the residually affected terrestrial habitat / potential offset area(s) should be taken into account both in adjusting the size of offset required and when choosing an appropriate offset.” The guidelines then go on to provide specific guidance on how condition should be taken into account in offset calculations: “When the habitat is degraded but not completely transformed (i.e. where there is less than 25% of expected species supported by the affected habitat, compared with an undisturbed site in a comparable vegetation type or terrestrial ecosystems, then the ratio could be reduced by as much as 50% on the advice of the biodiversity specialist in collaboration with Ezemvelo, provided that the habitat serves no other significant function.” The above guidance is both generic (not tailored to any specific habitat type) and conservative (allocating a 50% score to degraded habitat and 100% to moderate and good condition habitat). As correctly pointed out, the hectare equivalents approach is applied for wetland offset calculations. In the case of wetlands, separate offset calculations are made for (i) Ecosystem Conservation and (ii) Water Resources and Ecosystem Services. The calculation for Ecosystem Conservation effectively mirrors the approach used for terrestrial ecosystems (area x conservation ratio) but also includes an adjustment factor for habitat condition. The conservation ratio is also calculated through a more nuanced approach than for terrestrial ecosystems and includes (i) ecosystem threat status and protection level; (ii) regional and national context and (iii) local context. This effectively means that a ratio of 30:1 is only applied in instances where the regional and

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					<i>national context support the critical nature of the targeted wetland for conservation.</i> <i>In the case of wetlands, the measure of habitat condition requires the specialist to calculate a score (%) that reflects the condition of the wetland habitat relative to reference conditions. The “opportunity loss” multiplier is only applied in KZN at this point, and effectively accounts for the restoration potential of the wetland when determining offset obligations. The approach proposed for rating the condition of KZNSS mirrors the approach used for wetlands in that the score for habitat condition is calculated as a % relative a reference plant community. Whilst not based on a published method, the rating scheme developed has been proposed based on an analysis of 290 plots, with information collected using a tested and transparent data collection process. A somewhat conservative approach has also been applied when setting an upper “reference” class boundary and by adjusting ratings to account for species of conservation concern. By applying this approach, more than 50% of sampled plots used to inform the classification effectively score a 100% rating based on forb characteristics. The proposed approach is based on good science and is regarded as a more refined and scientific approach to the course adjustment factors advocated for condition in the current provincial biodiversity offset guidelines. <u>On this basis, it is argued that the proposed approach is both defensible and informed by a sound scientific approach that is lacking from the more generic guidance provided in the provincial guidelines.</u></i> <i>A sound rationale for why “opportunity loss” should not be considered in this instance has also been provided by undertaking an evaluation of recovery potential following disturbance. This has clearly shown that KZNSS grassland habitats with low diversity have limited recovery potential and as such, their conservation value is unlikely to improve significantly in the next 100 years. This is acknowledged by EKZNW in their comments.</i> <i>iv. Plant species of conservation concern are not integrated into offset calculations.</i> <i>EBMB state that “the approach fails to take cognisance of the rare and endangered plant species identified on the development sites when determining cumulative equivalent loss.” <u>This is factually incorrect</u> given that “a second qualitative criteria were added to ensure that grasslands supporting important species of conservation concern were not undervalued in terms of their importance.” The approach for</i>

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					integrating the importance of plant species of conservation concern is outlined in Annexure A (See Table A2 and Figure A3). v. Faunal assessment and the sensitivity rankings are disregarded. EBMB argue that “the approach completely disregards the faunal assessment and the sensitivity ranking linked with this study. Much of the preferred layout will directly impact on areas of moderate sensitivity – yet no consideration of this aspect is factored into the calculations or approach.” <u>The argument that the assessment “completely disregards” the faunal assessment is unfounded</u>, particularly given that it can be clearly demonstrated that almost all areas of “high” faunal sensitivity have been avoided and will be conserved as part of the offset strategy (See Figure 16 of offset report). An ecological corridor has also specifically been integrated into the final layout to cater for faunal movement. Whilst it is acknowledged that offset ratios do not specifically account for faunal sensitivities, the following is acknowledged in the offset report: “Several faunal SoCC have been identified as potentially occurring on the site and are likely to mostly utilize more intact habitats (Harvey Ecological, 2022). The faunal assessment has not identified the need to specifically address offsets for any specific animal species and indicated that addressing ecosystem impacts through the offset process was expected to also benefit animal SoCC.” An option could be to amend offset ratios further by integrating faunal sensitivity scores into offset loss-gain calculations. It is however argued that <u>undertaking detailed floristic surveys is already onerous and requiring offset calculations to also be informed by faunal sensitivity ratings would add further costs to offset accounting requirements.</u> vi. Areas set aside for conservation on the landowner’s property would constitute “double-dipping” and as such should not contribute to meeting offset obligations. EKZNW and EBMB argue that “avoidance” of sensitive areas would already result in the conservation and long-term management of undeveloped areas and as such, that conservation of on-site areas should not then be considered later in the mitigation hierarchy. The emphasis of avoidance is however on minimizing impacts through sound planning and does not commit an Applicant to rehabilitation or conservation actions which are clearly emphasized later in the

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					<i>mitigation hierarchy. In this instance, the Applicant has demonstrated that they have applied this step in the mitigation hierarchy by “successfully excluding many of the most sensitive areas on the landholdings belonging to the Applicant” as acknowledged by EKZNW.</i> <i>Whilst it may be true that developments are often required to set aside land for conservation outside of any offset process, this is effectively a vehicle for counter-balancing impacts (comparable with the offset process) and such actions are considered when evaluating the net suitability of the project. This matter is dealt with in Section 2.2.3 of the provincial offset guidelines as follows:</i> <i>“Voluntary protection and management of habitat for biodiversity conservation purposes might be proposed by a developer as an integral part of the project proposal where that habitat could make a significant contribution to biodiversity conservation objectives in the province, and where the landowner is amenable to doing so.</i> <i>In many instances, the proposed contribution of land for conservation purposes is not linked to the need to compensate for residual negative impacts on biodiversity of the proposed development and would thus not constitute an offset. These proposals could, however, have major benefits for biodiversity conservation. It would be important for the authorities and/or conservation agency to evaluate any additional costs to them that would be associated with the proposal, prior to entering into a stewardship (or similar management) agreement.”</i> <i>This section of the provincial guidelines is clearly referring to on-site conservation for developments that do not trigger offset obligations and as such, is not relevant to this project where offsets are specifically required.</i> <i>Where offsets are required, there is however a need to establish the adequacy of proposed offset actions. In this instance, the logical first step is to evaluate whether or not offset obligations could be met on land already owned by the Applicant before considering other properties. This is because such areas can be easily secured and managed relative to securing offsets of other landholdings.</i> <i>It must also be pointed out here that the obligation to formally proclaim and ensure that funds for establishment and management are made available are also significant more onerous for offset sites. This includes</i>

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					<i>the need to formalize protection under NEMPAA where possible together with a need to commit funding for long-term-management.</i> <i>o, rather than being concerned whether land is conserved on the Applicant's land, on a bordering property, or further afield, the emphasis should be on demonstrating that offset actions are additional to a "without development" scenario and that selected offset sites will make a meaningful contribution to conservation targets. In this instance, it is clear that under a "without development" scenario, the land would continue to degrade. Under a "with development" scenario however, offset actions will add significant to conservation efforts in the region.</i> <i>The concept of “double dipping” refers to situations where land set aside as an offset or for conservation purposes under existing legislation or offset commitment is later used as an offset to compensate for the impacts of another development project. This is clearly not the case in this instance, and indeed, on-site conservation areas are routinely considered as potential offset sites in other jurisdictions and as such, the notion that including on-site areas constitutes “double-dipping” is unfounded in this instance.</i> <i>vii. The need to specifically factor in the loss of ecosystem goods and services in offset calculations.</i> <i>This matter was specifically raised by EBMB who indicated that “no consideration is given to the significant ecosystem’s services provided by the grassland and the need for compensation for these losses in offset calculations”.</i> <i>The following is acknowledged in Table 1 of the offset report: “No specific assessment of the impact of grassland transformation on ecosystem service delivery was undertaken for this proposed development. The most significant impact is likely to be associated with a loss in grazing land for local communities which will need to be addressed through community consultations. Hydrological services such as a flow regulation will be addressed as far as possible through a combination of grey and green solutions as part of the stormwater plan. Despite the above mitigation measures, the offset plan has included targeted actions to ensure that some key areas providing regulating services for Inanda dam are safeguarded from future development.” It should be further noted that mitigation measures such as the integration of flood attenuation measures have been introduced to</i>

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					compensate for some of these lost ecosystem goods and services. Based on the above, and <u>in the absence of any meaningful guidance on how ecosystem services can be integrated into offset planning for grassland ecosystems, it is argued that this matter has been dealt with in a reasonable (though far from perfect) manner.</u> viii. Inclusion of out-of-kind habitat in the offset proposal Earmarked on-site offset areas include areas of wetland, grassland, eastern valley bushveld and forest, all of which will receive protection and management as part of offset actions. Whilst these areas are recognized as being “out-of-kind”, such actions will nevertheless contribute to provincial conservation targets for these vegetation types. As such, a motivation was included to allow such habitats to contribute to some extent towards offset targets. Both EBMB and EKZNW note that the inclusion of Eastern Valley Bushveld into offset targets would not be acceptable. This has already been considered and <u>areas of Eastern Valley Bushveld areas do not contribute in any way to meeting quantitative offset targets.</u> The ratios put forward for other habitats are open for interpretation and discussion. It must however be noted that the wetland system earmarked for rehabilitation and protection is a “priority wetland system identified for conservation by the eThekweni Municipality and is highlighted in the specialist report as a wetland of high conservation value”. <u>The Applicant has also agreed to rehabilitate the wetland, based on the understanding that such actions would contribute towards offset targets.</u> Should this not be the case, there would be little reason for the Applicant to put extra effort into enhancing the conservation value of the wetland. ix. Adjusting offset ratios based on the practical considerations. EBMB have clearly indicated their preference for development impacts to be compensated for through offset actions within the Metro. In response, considerable time has been spent on prioritizing potential offset receiving areas and obtaining a cost-estimate for securing offsets on private land within the Metro. <u>Cost-benchmarking has revealed a major cost differential between meeting offset obligations in and outside the Metro.</u> EBMB however argue that cost is irrelevant and that “At no point should the cost of implementing an offset be a reason to revisit the scale of

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					such.” The reality however is that <u>there is no requirement to impose artificial administrative boundaries on offset planning and site selection</u>. Indeed, the Applicant is free to select suitable offset sites provided they adhere to best-practice principles, which in this case is guided primarily by the need to secure and manage priority areas of KZNSS, irrespective of their location in the province. An adjustment factor of 7:1 has however been proposed in order to incentivise offset actions within the Municipality (in line with EBMBs aspirations). This quantum has been based on financial estimates but should ideally be refined through further discussions with EKZNW and EBMB given that the adoption of this approach will have implications for future offsets in the Metro. It is important to note however that <u>unless such costs are considered in the offset planning process, there will be no incentive for developers to meet offset targets within the Metro</u>. x. Applying adjustment factors to on-site conservation areas EKZNW argue that adjustment factors should not be applied to on-site conservation areas since the Applicant is not spending any finances on purchasing the offset receiving areas. The reality however is that <u>there is still an opportunity cost to setting areas aside for conservation</u>. Indeed, if these areas were not to be set aside as offset areas, they would be ideal offset sites for other developments in the metro. As such, it is reasonable that ratios applied to on-site conservation areas should be treated in the same manner that any other offset sites in the eThekweni Municipality. xi. Lack of independence of the offset specialist EKZNW challenge the independence of the offset specialist and argues that the offset/compensation proposals are a fatal flaw in this proposal. They further indicate that “The Applicant will need to revisit the offset/compensation proposal in toto, and resubmit for decision making”. <u>This challenge on the independence of the offset specialist is uncalled for and is not supported by any evidence</u>. Indeed, the offset specialist has no financial or personal interest in the development other than payment for professional services rendered, noting further that fees are not linked in any way to the recommendations put forward in the biodiversity offset report. Indeed, the only rationale for challenging the

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					<i>independence of the offset specialist appears to be based on the reduced offset obligations put forward in the offset report which differs substantially from the existing offset guidelines as developed by EKZNW and historically applied in the Metro.</i> <i>The need to consider alternative and more practical approaches to offset planning in rapidly developing urban areas has however been acknowledged in the Western Cape Offset Guidelines whilst the need to develop nuanced approaches for urban areas is also acknowledged in the Draft National Biodiversity Offset Guidelines. It was on this basis, and experience in developing offset proposals in the City of Cape Town, where this approach is supported by the City of Cape Town's Biodiversity Management Branch and Cape Nature, that the offset specialist provided a motivation to adjust ratios down in the eThekwin Metro.</i> <i>The need for consultation and adjustment of offset actions is recognized as central to the offset planning process. A concerted effort has therefore been made to engage with and obtain input from EKZNW and EBMB as part of the offset planning process. Despite these efforts, little alignment could be achieved given the inflexibility with which these parties have approached the offset planning process. The call to now "revisit the offset/compensation proposal in toto" rather than engaging practically to arrive at a feasible solution following nearly two years of discussions speaks further to the standoff approach taken thus far to developing a feasible and acceptable offset proposal.</i> <i>It must be further acknowledged that the role of an offset specialist is to prepare a biodiversity offset report that provides 'reasonable' compensation for development impacts. This is a challenging role, particularly in an emerging field like biodiversity offsets where guidelines are still under development and some of the aspirations reflected in existing guidelines are not well tested. The specialist is also required to present a "feasible" and "implementable" proposal that can be integrated into the conditions of authorization. As such, complete independence is not practical or feasible since the ability of the Applicant to locate, finance and implement offset actions also needs to be considered when preparing an offset proposal.</i> <i>Within this context, all deviations have been backed up through a considered and transparent process, using scientific evidence and costs estimates that were refined by a third party. The adjustment factor of</i>

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					7:1 for land within the Metro is arguably the most contentious proposal but is based on the comparative costs of meeting offset obligations on private land outside the Metro. The initial adjustment factors presented to EBMB and EKZNW were 5:1 based on early financial estimates. Conservation Outcomes were then appointed to review and refine these costs, with an understanding that the updated costs would be used to refine the adjustment factors (up or down) accordingly. The reality is that the revised cost estimates for stewardship on private land came back significantly lower than previously calculated and it was on that basis, that adjustment factors within the municipality were updated accordingly. Whilst alignment is ideally achieved prior to the offset report being submitted, there is still potential to review and refine the biodiversity offset report in response to comments received from key stakeholders as part of the public participation process. It is with this in mind that more <u>constructive dialogue would be encouraged rather than questioning the independence of the offset specialist</u>. We do however remain open to discuss the basis on which adjustment factors have been proposed and to revise these ratios based on a well-considered view that takes the local context and financial implications of high offset ratios both for this and future developments, into account. xii. Phasing of offset activities EBMB indicate that “No deferred offsetting or reliance on alternative mechanisms for offsetting can be supported given the risk associated with loss of this habitat.” <u>A phased approach to meeting offset targets is advocated however in recognition of the practical need to generate funds from development to fund offset activities.</u> Furthermore, the phasing of offset actions is planned in such a manner that offset actions (particularly in relation to later phases of development) must be initiated in advance to ensure that risks of not addressing impacts is taken into account prior to habitat transformation being initiated. The concerns raised by EBMB regarding the “sporadic release and sprawling transformation of the entire site” which “will fragment and impact on the remaining habitat on site”, is acknowledged as a potential concern. The intent of the Applicant is to focus development initially in Phase 1 areas where service infrastructure will be prioritized. It is however understood that the Applicant would aim to consolidate development as far as possible due to the high financial impacts of servicing a spread-out development scenario. There is however a

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					possibility that entities may have specific technical requirements that mean that select developments would be best placed outside designated Phase 1 areas. Provided such impacts are catered for through suitable offset sites, this should not be seen as a critical concern. Reference to “alternative mechanisms” presumably refers to the option of biodiversity banking to address off-site offset obligations. The intent here, is to secure offset sites and allocate suitable funding for the long-term management of such sites prior to permitting further development beyond the initial land-released through on-site conservation actions. The use of a biodiversity bank is regarded as a more pro-active and less risky approach than leaving offsets to be secured and managed by the Applicant. This approach is broadly supported by KZN_EDTEA who have already initiated the process for developing guidelines for biodiversity banking in KZN. These guidelines are expected to clarify requirements for establishing and regulating biodiversity banks which would help to mitigate the risks of applying this approach to meet long-term offset obligations.
Biodiversity	eThekwini Municipality: Development Planning, Environment & Biodiversity Management Department (BMD) formerly EPCPD	Letter	20 June 2023	DPM/EIA 958A: DRAFT ENVIRONMENTAL IMPACT ASSESSMENT REPORT FOR REVIEW: PROPOSED CATO RIDGE LAND RELEASE AND DEVELOPMENT PROJECT, ETHEKWINI METROPOLITAN MUNICIPALITY, KWAZULU-NATAL With reference to the abovementioned Draft EIA Report please be advised that various Municipal Departments have had sight of the proposal and the following comments are submitted for your attention <i>[comments provided in the table rows to follow]</i> Should you require clarification on any of the above issues, please contact the writer on telephone: 031 322 4303 or via e-mail: Batha.Msomi@Durban.gov.za. In addition, the Department requests that a copy of the Environmental Authorisation be emailed to the same address. The Following Departments had no comments or objections to the Draft EIR: • Cleansing and Solid Waste (CSW) • Coastal Policy • Coastal Stormwater and Catchment Management (CSCM)	Thank you for providing a consolidated response from the eThekwini Municipality. I confirm the email address provided is registered on the I&AP Register and will receive a copy of the decision / EA Thank you for the confirmation that these Departments listed have no objections or substantive comments on the draft EIR.

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				- Disaster Management - Environmental Health - EThekwini Electricity - <i>Applicant is outside eThekwini Electricity are of supply</i> - EThekwini Transport Authority (ETA) - EThekwini Water and Sanitation (EWS – Water Planning) - EThekwini Water and Sanitation (EWS – Wastewater Design Branch) - Fire Safety - Land Use Management (LUM) - Parks, Leisure, and Cemeteries - Pavement and Geotechnical Engineering (P&GE) - <i>As before, P&GE has no geotechnical objection, in principle, to the land release and development. As mentioned in the EIA, site-specific conditions on individual sites will still have to be assessed at the time of actual development.</i> - Strategic Planning Branch (SPB) - Catalytic Projects	
				Biodiversity Management Department (BMD, previously EPCPD): This Department has reviewed the Draft Environmental Impact Report (dEIR) submitted by Zutari in relation to the proposal by Assmang to release extensive land holdings under their ownership for mixed-use, light industrial, warehousing and logistics in the Cato Ridge area. The comments presented below pertain to the specific detail presented in the dEIR but should also be read in conjunction with all previous comments and correspondence issued regarding this application and many of the issues highlighted below are long-running matters and remain unaddressed or poorly responded to. A. The Biodiversity Management Department (BMD) has repeatedly raised concerns with regard to the significant loss of KwaZulu Natal Sandstone Sourveld (KZNSSV) that will occur if the development in its current preferred layout commences. The majority of the development footprint is	Thank you for the comment. below is a consolidated response reflecting the views of the EAP, Applicant, and specialists, where relevant. In response to Item A. The EIR identifies and presents the loss of KZNSS in the highest impact category significant for both the pre-and post-impact significance ratings and indicates the application can only advance if biodiversity offsets can be resolved with the mandated authorities. The EAP acknowledges that the BMD has raised concerns regarding the significant loss of KwaZulu Natal Sandstone Sourveld (KZNSSV) and in response to these concerns the Applicant has revised the layout several times, most recently during the development of the draft EIR. In summary the development footprint has iteratively reduced from 789 ha to 351 ha. The Biodiversity specialist Doug Macfarlane has responded collectively to the comments raised by KZN-EDTEA, EKZNW and EBMD (The original comments are appended to this CRR) but included here verbatim for ease of reference). <u>NOTE what follows here is a repeat of the response provided the the EKZNW comment above.</u>

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				located in KZNSSV and the Durban Metropolitan Open Space System (D'MOSS). B. This Department does not support the loss of the areas of high biodiversity within the eThekweni Municipal Area (EMA). Conservation of KZNSSV is less than 0.1% of the remaining habitat area, and within the EMA, protection of this ecosystem has been afforded conservation priority, as highlighted in the eThekweni Strategic Environmental Assessment: Status Quo Report. Even with 100% conservation of the remaining habitat within the City, the minimum 20% conservation target cannot be achieved (SANBI). The latest SANBI Threat Status Assessment for this habitat has the current remaining levels at 16% (2018), with this figure likely to drop to 9% by 2040 if nothing is done to arrest the loss of habitat to uncontrolled and unsustainable development. C. The proposed layout will result in extensive loss of Critically Endangered habitat and cannot be supported by this Department. The proposed Phasing and offset approach are entirely unsustainable and must be revisited to ensure that any offset strategy is fully able to offset all loss prior to any authorisation being granted. No deferred offsetting or reliance on alternative mechanisms for offsetting can be supported given the risk associated with loss of this habitat. All development layouts must fully accommodate the KZNSSV and avoid impacts to this habitat as a first principle. D. Notwithstanding the above broad position, the following pertains to specific aspects of the dEIR: Offsets E. This Department wants to place on record that although a series of engagements have been held between the applicants and their consultants, at no point has the approach presented by the offset consultant been either adopted or supported. The dEIR presents a narrative in a number of sections which could be misconstrued by I&AP's as suggesting that the BMD is in support of the approach being adopted.	<i>Zutari submitted a Draft EIA Report for the proposed Cato Ridge Land Release and Development Project. A suite of responses was received from the regulating and key commenting authorities, many of which related to the biodiversity offset report prepared by Eco-Pulse Environmental Consulting Services. Rather than responding individually to the comments provided, I have taken the liberty to prepare a formal response that can be shared with stakeholders. This response has been structured based on common themes outlined across several of the submissions received.</i> 1. Avoidance of Critically Endangered KZNSS has not been adequately addressed. <i>Both EKZNW and EBMB emphasize the importance of maintaining remaining areas of KZNSS to meet conservation targets. The location of these priority areas is well articulated in existing provincial and municipal conservation plans, and it is acknowledged that such areas should ideally be avoided to secure areas of critical biodiversity and the ecosystem goods and services provided by these areas.</i> <i>Unfortunately, given the high demand for development in eThekweni, there is and will continue to be a conflict between conservation and development. This potential for conflict in the short-to-medium term was demonstrated by undertaking an exploratory investigation to assess the potential implications of current land use plans on the future conservation of KZNSS in the Metro (Annexure C of the offset report). This built on work previously undertaken in 2015 as part of a process to explore the potential of establishing a conservation banking scheme in the Metro [Macfarlane, D.M., Van Deventer, R., and Von Hase, A. 2015] which had suggested that there was likely to be a deficit of offset land available to compensate impacts to KZNSS of in excess of 25 000 Ha in the Metro if a 30:1 ratio was applied to areas already earmarked for development in the Metro's planning schemes. This assessment was revisited during the inception phase of offset planning to accommodate more recent data and to cater for reduced impacts in areas where development plans conflict with the DMOSS layer.</i> <i>This assessment confirmed the high levels of transformation of this vegetation type and showed that there is in the region of 12500 Ha of KZNSS remaining within the eThekweni Municipality, with more than 50% of these areas occurring at higher elevations above 450m.a.s.l. This translates to approximately 15% of its historic extent which is consistent with a classification of Critically Endangered in the city limits. Despite</i>

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				F. Previous comments required that the application indicate how the Mitigation Hierarchy has been applied to this application, and while the report does include sections where this is detailed, the approach is, in essence, flawed in that, on the one hand the reduced footprint for the development is presented as 'Avoidance', yet the very same area is also being presented as the 'On-site Offset' receiving area. While any additionality through protection and management of this area could contribute to the offset targets, the approach currently presented, where the full area is presented as meeting in part the offset target, is viewed as 'Double Dipping' by this Department. G. Notwithstanding the above, this Department notes with concern that the applicant continues with the Hectare Equivalent approach to determining the offset requirements for this development. The BMD has on numerous occasions raised concern with this approach and has detailed specific issues, inter alia: i. The approach has not been tested and the risk associated with adopting this method for an ecosystem with such a high treat status cannot be supported. ii. The approach erroneously focuses solely on species richness to determine a condition class on which the hectare equivalence is then based. No consideration is given to the significant ecosystem's services provided by the grassland and the need for compensation of these losses in any calculations. J. Similarly, the approach fails to take cognisance of the rare and endangered plant species identified on the development sites when determining cumulative equivalent loss. K. Lastly, the approach completely disregards the faunal assessment and the sensitivity ranking linked with this study. Much of the preferred layout will directly impact on areas of moderate sensitivity – yet no consideration of this aspect is factored into the calculations or approach.	<i>existing conservation efforts, only 2% of the original extent is currently under any form of conservation further highlighting the critical need for enhanced conservation of this vegetation type.</i> <i>The assessment also illustrated that the implementation of the current zoning scheme alone, and factoring in notable modifications in layouts to cater for earmarked DMOSS areas could trigger offset obligations in the region of 19 000- hectares when applying offset ratios of 30:1. When broader land use planning tools are also considered in areas not covered by existing zoning schemes, this figure rises to more than 30 000-hectares.</i> <i>The assessment also provides an indication of the land that could theoretically be secured to meet like-for-like offset obligations for impacts on KZNSS in the Metro. This suggests that remaining grassland fragments not targeted for development could serve to secure close to 8000-hectare equivalents of KZNSS. Given the small size of most fragments, and competing development aspirations, securing even 3000ha within the metro is likely to be challenging.</i> <i>It was on this basis that the need to consider a revision in offset policy for KZNSS in the eThekweni Metro was recommended to EBMB and EKZNW early in the offset planning process. The need to apply a tailored approach to offset planning within a rapidly urbanizing context was further motivated with reference to the Western Cape Offset Guidelines. In these guidelines, requirements for the size of biodiversity offsets inside an urban edge are substantially lower than those required outside the urban edge. Indeed, the application of offset ratios within or inside a recognised urban edge are 1:1 for Endangered ecosystems and 2:1 for Critically Endangered ecosystems. Reference was also made to the innovative approach taken by the City of Cape Town's Biodiversity Management Branch to prepare a Conservation Implementation Plan for the Cape Flats Dune Strandveld vegetation type in order to address the strategic compromise needed between competing development and conservation aspirations.</i> <u><i>Whilst avoiding significant impacts to KZNSS is desirable from a conservation perspective, there is a need to adopt a sustainable development perspective that seeks to balance conservation with social and economic development aspirations in the Metro. This is lacking from the current offset guidelines, particularly within rapidly developing urban areas and it is on this basis that the offset proposal for this</i></u>

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				L. Furthermore, the proposal to have the requisite offset further reduced by a factor of 7:1 for all sites within the EMA is also not supported and the rationale for such is flawed in that: i. At no point should the cost of implementing an offset be a reason to revisit the scale of such. The fact that an offset is required in the first place means that a residual impact has been identified and cannot be mitigated. If anything, the high cost should indicate that further refinement of the layout is necessary to reduce the residual impact to a point where the feasibility and the cost of the offset can be achieved upfront. The Applicant raises the costs of implementation and cash flow as reasoning for the area reductions, yet the dEIR also presents a market assessment with significant economic benefits as part of the economic 'need and desirability' for this application. These positions seem somewhat contradictory, on the one hand cash flow appears to be an issue and yet massive economic benefits are being presented as a positive outcome for this application. ii. Secondly, the land being presented as being suitable for the on-site offset is in the ownership of the applicant and as such the land purchase issue raised as motivation by the author of the offset report cannot apply (this includes the opportunity loss argument also presented in the report). K. During consultation with this Department, the issue of 'Out of Kind' offsetting has been raised as a part solution to addressing the extensive offset areas needed. This Department has indicated that this form of offset may be considered, but only in specific circumstances and only with specific habitat types. Specifically, some level of out-of-kind consideration might be feasible for grassland-for-grassland trading. M. However, this too requires further consideration before being fully accepted. The use of wetland and Eastern Valley Bushveld as contributing areas for achieving the offset targets is not accepted.	<u>development deviated from existing guidelines.</u> Ultimately whether an appropriate balance is presented through the development and accompanying offset proposal will need to be evaluated by the regulating authority. 2. Critically endangered habitat cannot be offset <i>The offset specialist agrees fully that significant impacts to CR ecosystems should only be approved for projects that have "Imperative reasons for overriding public interest". This is a matter that will need to be carefully considered when evaluating the application whilst seeking to also balance social and economic factors.</i> <i>The comment made by EKZNW that "any residual impacts would need to be compensated for, rather than offset as is currently proposed in the document" is regarded as semantics rather than being of any practical value, however. It is also worth noting that DFFE have indicated that the approach to "ecological compensation" has been changed in the National Offset Guidelines which has recently been approved by the Minister.</i> <i>Indeed, the updated guideline notes that "Ecological compensation can be described as the outcome of measurable actions to protect, rehabilitate and manage priority biodiversity, aimed at compensating for residual negative impacts on biodiversity and ecological infrastructure but is not designed to counterbalance those impacts." <u>In this instance proposed offset actions are specifically designed to counterbalance the residual negative impacts of the development through increased protection and appropriate management of KZNSS. As such, offset actions are regarded as appropriate for this application.</u></i> 3. The concept of applying a hectare equivalents approach that integrates a measure of habitat quality is untested and unsupported. <i>It must first be pointed out that the provincial offset guidelines do allow for adjustments to be made to offset calculations based on habitat condition. It is noted in particular that "The condition of the residually affected terrestrial habitat / potential offset area(s) should be taken into account both in adjusting the size of offset required and when choosing an appropriate offset." The guidelines then go on to provide specific guidance on how condition should be taken into account in offset calculations: "When the habitat is degraded but not completely transformed (i.e. where there is less than 25% of expected species</i>

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				N. As the Development currently stands Phase 1 (131ha) will require an offset of just under 4,000ha. If one adds Phase 2 and 3 to this calculation the offset climbs to in excess of 10,000ha. The reports included in the dEIR have not shown how Phase 1 of this application can be fully offset, let alone the remaining Phases. O. This Department does not support the proposal by the applicant that developable areas released in terms of the proposed Phase 1 (i.e., 131ha) can be exercised across any part of the site (on areas designated as Phase 1, 2 or 3). The land release area must be directly tied to the offset to ensure accounting. Furthermore, the sporadic release and sprawling transformation of the entire site will fragment and impact on the remaining habitat on site. With no viable offset presented for these future Phases, the land cannot be released for development until surety for the habitat protection is presented. P. As such the applicant is advised to refine the layout such that only the portion of the development that can be fully offset is presented for authorisation, with future phases excluded until such time as the offset requirements for these components can be fully demonstrated. Biodiversity Q. The findings and recommendations of the Faunal Specialist appear to have been largely ignored in the planning and development of this application. While areas of high faunal diversity value are excluded along the scarp edge, parts of the site listed as moderate in their faunal sensitivity are shown to all be part of the development footprint. No mitigation of the potential impacts or loss of fauna habitat is presented in the reports to address this. Couching the mitigation of the faunal impact under the broader offset process is also not accepted as the offset process does not factor any faunal component into the methodology presented. R. The faunal specialist makes a series of specific mitigation recommendations regarding the layout that will reduce the	<i>supported by the affected habitat, compared with an undisturbed site in a comparable vegetation type or terrestrial ecosystems, then the ratio could be reduced by as much as 50% on the advice of the biodiversity specialist in collaboration with Ezemvelo, provided that the habitat serves no other significant function.” The above guidance is both generic (not tailored to any specific habitat type) and conservative (allocating a 50% score to degraded habitat and 100% to moderate and good condition habitat).</i> <i>As correctly pointed out, the hectare equivalents approach is applied for wetland offset calculations. In the case of wetlands, separate offset calculations are made for (i) Ecosystem Conservation and (ii) Water Resources and Ecosystem Services. The calculation for Ecosystem Conservation effectively mirrors the approach used for terrestrial ecosystems (area x conservation ratio) but also includes an adjustment factor for habitat condition. The conservation ratio is also calculated through a more nuanced approach than for terrestrial ecosystems and includes (i) ecosystem threat status and protection level; (ii) regional and national context and (iii) local context. This effectively means that a ratio of 30:1 is only applied in instances where the regional and national context support the critical nature of the targeted wetland for conservation.</i> <i>In the case of wetlands, the measure of habitat condition requires the specialist to calculate a score (%) that reflects the condition of the wetland habitat relative to reference conditions. The “opportunity loss” multiplier is only applied in KZN at this point, and effectively accounts for the restoration potential of the wetland when determining offset obligations. The approach proposed for rating the condition of KZNSS mirrors the approach used for wetlands in that the score for habitat condition is calculated as a % relative a reference plant community. Whilst not based on a published method, the rating scheme developed has been proposed based on an analysis of 290 plots, with information collected using a tested and transparent data collection process. A somewhat conservative approach has also been applied when setting an upper “reference” class boundary and by adjusting ratings to account for species of conservation concern. By applying this approach, more than 50% of sampled plots used to inform the classification effectively score a 100% rating based on forb characteristics. The proposed approach is based on good science and is regarded as a more refined and scientific approach to the course adjustment factors advocated for condition in the current provincial biodiversity offset</i>

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				faunal impacts and the offset obligations, yet these do not seem to have been addressed.	<i>guidelines. <u>On this basis, it is argued that the proposed approach is both defensible and informed by a sound scientific approach that is lacking from the more generic guidance provided in the provincial guidelines.</u></i> <i>A sound rationale for why “opportunity loss” should not be considered in this instance has also been provided by undertaking an evaluation of recovery potential following disturbance. This has clearly shown that KZNSS grassland habitats with low diversity have limited recovery potential and as such, their conservation value is unlikely to improve significantly in the next 100 years. This is acknowledged by EKZNW in their comments.</i> 4. Plant species of conservation concern are not integrated into offset calculations. <i>EBMB state that “the approach fails to take cognisance of the rare and endangered plant species identified on the development sites when determining cumulative equivalent loss.” <u>This is factually incorrect</u> given that “a second qualitative criteria were added to ensure that grasslands supporting important species of conservation concern were not undervalued in terms of their importance.” The approach for integrating the importance of plant species of conservation concern is outlined in Annexure A (See Table A2 and Figure A3).</i> 5. Faunal assessment and the sensitivity rankings are disregarded. <i>EBMB argue that “the approach completely disregards the faunal assessment and the sensitivity ranking linked with this study. Much of the preferred layout will directly impact on areas of moderate sensitivity – yet no consideration of this aspect is factored into the calculations or approach.”</i> <i><u>The argument that the assessment “completely disregards” the faunal assessment is unfounded</u>, particularly given that it can be clearly demonstrated that almost all areas of “high” faunal sensitivity have been avoided and will be conserved as part of the offset strategy (See Figure 16 of offset report). An ecological corridor has also specifically been integrated into the final layout to cater for faunal movement.</i> <i>Whilst it is acknowledged that offset ratios do not specifically account for faunal sensitivities, the following is acknowledged in the offset report: “Several faunal SoCC have been identified as potentially occurring on the site and are likely to mostly utilize more intact habitats (Harvey Ecological, 2022). The faunal assessment has not identified the</i>

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					<i>need to specifically address offsets for any specific animal species and indicated that addressing ecosystem impacts through the offset process was expected to also benefit animal SoCC."</i> <i>An option could be to amend offset ratios further by integrating faunal sensitivity scores into offset loss-gain calculations. It is however argued that <u>undertaking detailed floristic surveys is already onerous and requiring offset calculations to also be informed by faunal sensitivity ratings would add further costs to offset accounting requirements.</u></i> 6. Areas set aside for conservation on the landowner's property would constitute "double-dipping" and as such should not contribute to meeting offset obligations. <i>EKZNW and EBMB argue that "avoidance" of sensitive areas would already result in the conservation and long-term management of undeveloped areas and as such, that conservation of on-site areas should not then be considered later in the mitigation hierarchy. The emphasis of avoidance is however on minimizing impacts through sound planning and does not commit an Applicant to rehabilitation or conservation actions which are clearly emphasized later in the mitigation hierarchy. In this instance, the Applicant has demonstrated that they have applied this step in the mitigation hierarchy by "successfully excluding many of the most sensitive areas on the landholdings belonging to the Applicant" as acknowledged by EKZNW.</i> <i>Whilst it may be true that developments are often required to set aside land for conservation outside of any offset process, this is effectively a vehicle for counter-balancing impacts (comparable with the offset process) and such actions are considered when evaluating the net suitability of the project. This matter is dealt with in Section 2.2.3 of the provincial offset guidelines as follows:</i> <i>"Voluntary protection and management of habitat for biodiversity conservation purposes might be proposed by a developer as an integral part of the project proposal where that habitat could make a significant contribution to biodiversity conservation objectives in the province, and where the landowner is amenable to doing so.</i> <i>In many instances, the proposed contribution of land for conservation purposes is not linked to the need to compensate for residual negative impacts on biodiversity of the proposed development and would thus not constitute an offset. These proposals could, however, have major</i>

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					<i>benefits for biodiversity conservation. It would be important for the authorities and/or conservation agency to evaluate any additional costs to them that would be associated with the proposal, prior to entering into a stewardship (or similar management) agreement.”</i> <i>This section of the provincial guidelines is clearly referring to on-site conservation for developments that do not trigger offset obligations and as such, is not relevant to this project where offsets are specifically required.</i> <i>Where offsets are required, there is however a need to establish the adequacy of proposed offset actions. In this instance, the logical first step is to evaluate whether or not offset obligations could be met on land already owned by the Applicant before considering other properties. This is because such areas can be easily secured and managed relative to securing offsets of other landholdings.</i> <i>It must also be pointed out here that the obligation to formally proclaim and ensure that funds for establishment and management are made available are also significant more onerous for offset sites. This includes the need to formalize protection under NEMPAA where possible together with a need to commit funding for long-term-management.</i> <i>o, rather than being concerned whether land is conserved on the Applicant's land, on a bordering property, or further afield, the emphasis should be on demonstrating that offset actions are additional to a "without development" scenario and that selected offset sites will make a meaningful contribution to conservation targets. In this instance, it is clear that under a "without development" scenario, the land would continue to degrade. Under a "with development" scenario however, offset actions will add significant to conservation efforts in the region.</i> <i>The concept of “double dipping” refers to situations where land set aside as an offset or for conservation purposes under existing legislation or offset commitment is later used as an offset to compensate for the impacts of another development project. This is clearly not the case in this instance, and indeed, on-site conservation areas are routinely considered as potential offset sites in other jurisdictions and as such, the notion that including on-site areas constitutes “double-dipping” is unfounded in this instance.</i>

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					7. The need to specifically factor in the loss of ecosystem goods and services in offset calculations. <i>This matter was specifically raised by EBMB who indicated that “no consideration is given to the significant ecosystem’s services provided by the grassland and the need for compensation for these losses in offset calculations”.</i> <i>The following is acknowledged in Table 1 of the offset report: “No specific assessment of the impact of grassland transformation on ecosystem service delivery was undertaken for this proposed development. The most significant impact is likely to be associated with a loss in grazing land for local communities which will need to be addressed through community consultations. Hydrological services such as a flow regulation will be addressed as far as possible through a combination of grey and green solutions as part of the stormwater plan. Despite the above mitigation measures, the offset plan has included targeted actions to ensure that some key areas providing regulating services for Inanda dam are safeguarded from future development.” It should be further noted that mitigation measures such as the integration of flood attenuation measures have been introduced to compensate for some of these lost ecosystem goods and services. Based on the above, and <u>in the absence of any meaningful guidance on how ecosystem services can be integrated into offset planning for grassland ecosystems, it is argued that this matter has been dealt with in a reasonable (though far from perfect) manner.</u></i> 8. Inclusion of out-of-kind habitat in the offset proposal <i>Earmarked on-site offset areas include areas of wetland, grassland, eastern valley bushveld and forest, all of which will receive protection and management as part of offset actions. Whilst these areas are recognized as being “out-of-kind”, such actions will nevertheless contribute to provincial conservation targets for these vegetation types. As such, a motivation was included to allow such habitats to contribute to some extent towards offset targets.</i> <i>Both EBMB and EKZNW note that the inclusion of Eastern Valley Bushveld into offset targets would not be acceptable. This has already been considered and <u>areas of Eastern Valley Bushveld areas do not contribute in any way to meeting quantitative offset targets.</u></i> <i>The ratios put forward for other habitats are open for interpretation and discussion. It must however be noted that the wetland system</i>

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					earmarked for rehabilitation and protection is a “priority wetland system identified for conservation by the eThekweni Municipality and is highlighted in the specialist report as a wetland of high conservation value”. <u>The Applicant has also agreed to rehabilitate the wetland, based on the understanding that such actions would contribute towards offset targets.</u> Should this not be the case, there would be little reason for the Applicant to put extra effort into enhancing the conservation value of the wetland. 9. Adjusting offset ratios based on the practical considerations. EBMB have clearly indicated their preference for development impacts to be compensated for through offset actions within the Metro. In response, considerable time has been spent on prioritizing potential offset receiving areas and obtaining a cost-estimate for securing offsets on private land within the Metro. <u>Cost-benchmarking has revealed a major cost differential between meeting offset obligations in and outside the Metro.</u> EBMB however argue that cost is irrelevant and that “At no point should the cost of implementing an offset be a reason to revisit the scale of such.” The reality however is that <u>there is no requirement to impose artificial administrative boundaries on offset planning and site selection.</u> Indeed, the Applicant is free to select suitable offset sites provided they adhere to best-practice principles, which in this case is guided primarily by the need to secure and manage priority areas of KZNSS, irrespective of their location in the province. An adjustment factor of 7:1 has however been proposed in order to incentivise offset actions within the Municipality (in line with EBMBs aspirations). This quantum has been based on financial estimates but should ideally be refined through further discussions with EKZNW and EBMB given that the adoption of this approach will have implications for future offsets in the Metro. It is important to note however that <u>unless such costs are considered in the offset planning process, there will be no incentive for developers to meet offset targets within the Metro.</u> 10. Applying adjustment factors to on-site conservation areas EKZNW argue that adjustment factors should not be applied to on-site conservation areas since the Applicant is not spending any finances on purchasing the offset receiving areas. The reality however is that <u>there</u>

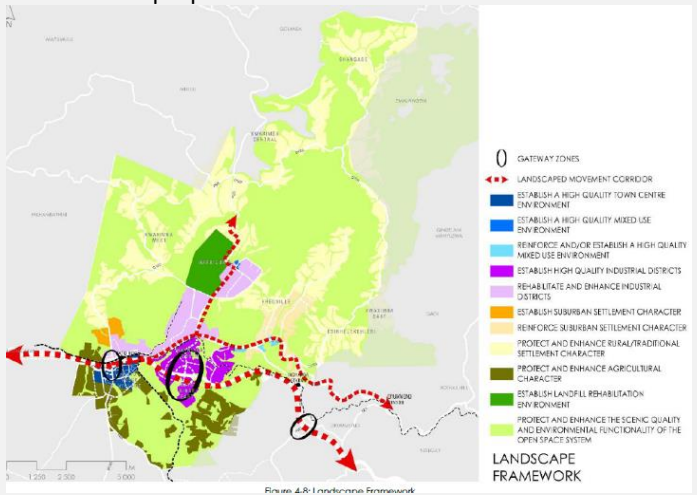
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					<i>is still an opportunity cost to setting areas aside for conservation. Indeed, if these areas were not to be set aside as offset areas, they would be ideal offset sites for other developments in the metro. As such, it is reasonable that ratios applied to on-site conservation areas should be treated in the same manner that any other offset sites in the eThekweni Municipality.</i> 11. Lack of independence of the offset specialist <i>EKZNW challenge the independence of the offset specialist and argues that the offset/compensation proposals are a fatal flaw in this proposal. They further indicate that “The Applicant will need to revisit the offset/compensation proposal in toto, and resubmit for decision making”.</i> <i><u>This challenge on the independence of the offset specialist is uncalled for and is not supported by any evidence.</u> Indeed, the offset specialist has no financial or personal interest in the development other than payment for professional services rendered, noting further that fees are not linked in any way to the recommendations put forward in the biodiversity offset report. Indeed, the only rationale for challenging the independence of the offset specialist appears to be based on the reduced offset obligations put forward in the offset report which differs substantially from the existing offset guidelines as developed by EKZNW and historically applied in the Metro.</i> <i>The need to consider alternative and more practical approaches to offset planning in rapidly developing urban areas has however been acknowledged in the Western Cape Offset Guidelines whilst the need to develop nuanced approaches for urban areas is also acknowledged in the Draft National Biodiversity Offset Guidelines. It was on this basis, and experience in developing offset proposals in the City of Cape Town, where this approach is supported by the City of Cape Town’s Biodiversity Management Branch and Cape Nature, that the offset specialist provided a motivation to adjust ratios down in the eThekweni Metro.</i> <i>The need for consultation and adjustment of offset actions is recognized as central to the offset planning process. A concerted effort has therefore been made to engage with and obtain input from EKZNW and EBMB as part of the offset planning process. Despite these efforts, little alignment could be achieved given the inflexibility with which these parties have approached the offset planning process. The call to now</i>

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					<i>“revisit the offset/compensation proposal in toto” rather than engaging practically to arrive at a feasible solution following nearly two years of discussions speaks further to the standoff approach taken thus far to developing a feasible and acceptable offset proposal.</i> <i>It must be further acknowledged that the role of an offset specialist is to prepare a biodiversity offset report that provides ‘reasonable’ compensation for development impacts. This is a challenging role, particularly in an emerging field like biodiversity offsets where guidelines are still under development and some of the aspirations reflected in existing guidelines are not well tested. The specialist is also required to present a “feasible” and “implementable” proposal that can be integrated into the conditions of authorization. As such, complete independence is not practical or feasible since the ability of the Applicant to locate, finance and implement offset actions also needs to be considered when preparing an offset proposal.</i> <i>Within this context, all deviations have been backed up through a considered and transparent process, using scientific evidence and costs estimates that were refined by a third party. The adjustment factor of 7:1 for land within the Metro is arguably the most contentious proposal but is based on the comparative costs of meeting offset obligations on private land outside the Metro. The initial adjustment factors presented to EBMB and EKZNW were 5:1 based on early financial estimates. Conservation Outcomes were then appointed to review and refine these costs, with an understanding that the updated costs would be used to refine the adjustment factors (up or down) accordingly. The reality is that the revised cost estimates for stewardship on private land came back significantly lower than previously calculated and it was on that basis, that adjustment factors within the municipality were updated accordingly.</i> <i>Whilst alignment is ideally achieved prior to the offset report being submitted, there is still potential to review and refine the biodiversity offset report in response to comments received from key stakeholders as part of the public participation process. It is with this in mind that more <u>constructive dialogue would be encouraged rather than questioning the independence of the offset specialist</u>. We do however remain open to discuss the basis on which adjustment factors have been proposed and to revise these ratios based on a well-considered view that takes the local context and financial implications of high offset ratios both for this and future developments, into account.</i>

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					12. Phasing of offset activities EBMB indicate that “No deferred offsetting or reliance on alternative mechanisms for offsetting can be supported given the risk associated with loss of this habitat.” <u>A phased approach to meeting offset targets is advocated however in recognition of the practical need to generate funds from development to fund offset activities.</u> Furthermore, the phasing of offset actions is planned in such a manner that offset actions (particularly in relation to later phases of development) must be initiated in advance to ensure that risks of not addressing impacts is taken into account prior to habitat transformation being initiated. The concerns raised by EBMB regarding the “sporadic release and sprawling transformation of the entire site” which “will fragment and impact on the remaining habitat on site”, is acknowledged as a potential concern. The intent of the Applicant is to focus development initially in Phase 1 areas where service infrastructure will be prioritized. It is however understood that the Applicant would aim to consolidate development as far as possible due to the high financial impacts of servicing a spread-out development scenario. There is however a possibility that entities may have specific technical requirements that mean that select developments would be best placed outside designated Phase 1 areas. Provided such impacts are catered for through suitable offset sites, this should not be seen as a critical concern. Reference to “alternative mechanisms” presumably refers to the option of biodiversity banking to address off-site offset obligations. The intent here, is to secure offset sites and allocate suitable funding for the long-term management of such sites prior to permitting further development beyond the initial land-released through on-site conservation actions. The use of a biodiversity bank is regarded as a more pro-active and less risky approach than leaving offsets to be secured and managed by the Applicant. This approach is broadly supported by KZN_EDTEA who have already initiated the process for developing guidelines for biodiversity banking in KZN. These guidelines are expected to clarify requirements for establishing and regulating biodiversity banks which would help to mitigate the risks of applying this approach to meet long-term offset obligations.

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				S. This Department notes with concern that the buffering to one of the wetlands with the highest EIS score has been reduced. This is not accepted, and the buffer should, if anything be increased. This Department has repeatedly indicated to the wetland consultants that the buffer tool relied in the assessment is flawed in that it looks solely at water quality and quantity aspects to determine a suitable buffer and does not factor in biodiversity aspects when considering species rich or sensitive systems. As previously detailed, the impacted system forms part of a priority wetland system identified for conservation by the eThekweni Municipality and is highlighted in the specialist report as a wetland of high conservation value. The layout must be amended to increase the buffers to this system (W14 & 15) and from any proposed development. T. The proposal to rehabilitate wetland within the development footprint is noted and supported.	S. The Wetland and Aquatic Specialist (Shaun McNamara) responds: <i>An initial preliminary watercourse buffer zone determination process was undertaken early in the application process using the Buffer zone guidelines for rivers, wetlands and estuaries (Macfarlane and Bredin, 2016) to inform the layout planning process. At this point, specific land uses for individual land parcels were not specifically known and buffer zone recommendations were assessed at a broad project level and took a conservative approach by assuming that the future land use across the project area would be 'medium impact light industry'. Following a meeting with a team from Zutari on 16th November 2022, Eco-Pulse was informed that the proposed land use for specific land parcels was being finalized and that select areas located close to selected wetlands (W14, W15, W23) were to be used for warehousing and logistics (truck stop type facilities) rather than for industrial purposes. The buffer tool was therefore re-applied to wetlands surrounding the proposed warehousing and logistics parcels under the revised land use scenario. The reduced recommended buffer for these wetlands was based on a reduction in the risk that the proposed land uses pose on wetlands. This was linked both with lower inherent risks of the revised land use at these locations relative to 'medium impact light industry' and additional mitigation measures that were proposed.</i> • <i>It is however important to note that the report clearly states that the application of the recommended buffer alone will not suffice as a means of protecting downstream / slope environments from stormwater discharge-related impacts. To this end, guidelines for the management of stormwater from development areas have been provided to inform the finalization of stormwater management plans for the site.</i> • <i>Whilst it has not been specifically outlined in the freshwater assessment report, consideration was given to the maintenance of ecological corridors and ecological processes in the vicinity of W14, W15, and W23. Here it should be noted that the proposed development areas are located along only a small portion of the respective wetland boundaries. As such, whilst the development will come close to the wetland boundaries, there is nonetheless sufficient open space surrounding these systems and connecting these systems to maintain a viable ecological connection between wetlands in the north and south of the affected property. In the case of the wetland above the N3, ecological connectivity is already compromised and enhancing the</i>

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					buffer along the edge of the proposed development would add little additional biodiversity benefits for species reliant on the wetland. It is important to note here that the buffer zone guidelines (Macfarlane and Bredin, 2016) do note the importance of taking a broader perspective when setting final buffer recommendations and specifically include Step 5 which requires risks to biodiversity to be assessed and for zones for biodiversity protection to be identified. It was however assumed that recommendations provided as part of both the botanical and faunal assessments would provide clear and specific guidance on areas critical for species of conservation concern and the maintenance of ecological corridors to support species movement and ecological processes. Such areas have been identified in the sensitivity mapping in each of these assessments whilst specific mitigation measures have also been recommended.
				Strategic Planning and Need and Desirability U. The Demacon (2023) updated Socio Economic report makes numerous references to the strategic location of the site in relation to the SIP2 and other local, provincial, and national plans. Yet, it fails to contextualise this application within the corridor and the multitude of developments currently already under way or even completed. Further detail must be provided as to the true need for this development, considering the extensive logistics developments already operating at Keystone, Hammarsdale, Camperdown, Umlaas Road and Lion Park. Given the proposed direct negative impacts to critically endangered habitat, further detail must be provided to support the inference that this development supersedes the conservation value of the land impacted. V. This Department previously raised the need for a Strategic Environmental Assessment of the broader Hammarsdale/ Cato Ridge/ Camperdown corridor to better balance the need for development, social upliftment, and environmental protection. The dEIR indicated that the Department of Economic Development Tourism and Environmental Affairs (EDTEA) has initiated such a study. Given that the outcomes of the assessment will likely address many of the issues raised in the bullet above, this Department requires that the EDTEA SEA be concluded prior to rushing this application through.	U. Demacon (JP dDu Plessis) responds: Supply, demand and market potential were addressed in the 2019 Cato Ridge Market Assessment report prepared for Zutari. The economic cost-benefit comparison between an undeveloped site and project implementation is addressed between pages 75 to 98 of the Economic Study Report (2023) V. At commencement the need for an SEA was discussed and it was understood EDTEA would investigate and lead this study if required. The applicant elected to proceed with the application for EA for this site-specific development as entitled under NEMA and aligned with their business timelines and objectives. At the time of the draft EIR an SEA had not been initiated by EDTEA.

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				Piecemeal approaches such as this application do not address long term development, upliftment or conservation objectives and result in poor decision making. W. The comments around alignment of the proposal with the eThekweni Municipality's Cato Ridge Local Area Plan (2018) are noted, however it must be pointed out that the Assmang proposal includes extensive development of land outside of that designated for Industrial use in the LAP and will directly impact on sites specifically set aside in the LAP for conservation or similar land use. Inference that the proposal aligns entirely with statutory plans and zonings is misleading. X. This issue was previously raised in the draft Scoping Report comments too but appears to have been brushed over by the EAP in their responses due to the contradiction this presents with the narrative that the application aligns wholly with the eThekweni Municipality's own plans. Y. It is important to also highlight that regardless of the envisaged land-use – as detailed in the LAP (and other statutory plans) – the D'MOSS overlay across these sites remains relevant and highlights to developers that the affected properties remain of high conservation value. Underlying zonings on sites provide an indication of a notional land use that aligns with the vision of the City, however, yields and actual development footprints remain subject to the assessment processes (EIA and SPLUMA). Furthermore, the City's statutory plans and vision do not exempt any applicant from following due process and ensuring that the outcome is entirely sustainable.	W,X and Y. CRDC responds: The only area proposed for development outside of the LAP "ENHANCED INDUSTRIAL DISTRICT" and "LANDFILL REHABILITATION ENVIRONMENT" being highly industrious in nature, is a road side strip of land east of Eddie Hagen Drive between the R103 intersection and the former Makro building. This road side strip of land is currently zoned Rural Smallholding 3 and General Industry 2. This strip of land is not "extensive" as noted by BMD, and has been reduced in width to accommodate for a ecological corridor to enable connectivity of ecologically sensitive land on the western and eastern side of Eddie Hagen Road. This strip of development was discussed with relevant specialists and it was motivated by the Applicant that this development strip could also act as a physical barrier to limit access and associated informal activities. It must also be noted that areas earmarked for "ENHANCED INDUSTRIAL DISTRICT" and "LANDFILL REHABILITATION ENVIRONMENT" being highly industrious in nature, will be conserved as has been deliberated around the KZNSS conservation proposals.  CRDC responds: Other than achieving a viable EIA and EMP, the submission of the EIA also has as its purpose a release of defined areas from the current DMOSS restriction for further land development. Once the outcome of the EA is fully concluded, land use applications based in SPLUMA will be submitted to the authorities to provide further

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				Z. This Department notes that significant portions of the overall land release will require infrastructure upgrades that are reliant on funding, planning and authorisation processes still to be conducted and approved. This Department does not support the inclusion of phases of this application that are subject to the conclusion of external environmental assessments, especially as the outcome of those processes are still to be concluded and could conflict with this proposal, limit options and alternatives, and result in poor decision making as a result. As such, until such time as the infrastructural upgrades are well advanced in their planning and approval, this application must be limited in scale to a footprint that requires no upgrades. Climate Emissions, Climate Change Impacts, Mitigation and Resilience AA. This Department notes with significant concern that the Greenhouse Gas Emission Inventory found that the development will have a high significance rating, with considerable emissions anticipated during both the construction and operation phases of the development. Neither the climate consultant nor the EAP have presented any meaningful alternatives, mitigation or detail as to how this high impact will be addressed. BB. Emissions of over 230,000 tCO₂e are expected from the removal of the grasslands on site alone. When considered alongside the additional construction and operation emissions predicted, the climate impact from the proposal will have significant impacts on the local and broader	definition, cadastral collation, and land use changes in relation to the already substantial zoning attributes for achieving the plans for the defined land areas. X. EAP responds: The wording in the final EIR has been adjusted to indicate the proposed project footprint “largely aligns” with the 2018 LAP development area (i.e. a ~95.2% alignment by area). The exception is a roughly 17ha strip along the Eastern side Eddie Hagan Drive in Phase 1, the details of which which is discussed in the reponse above) Z. The project feasibility is determined on the entire project footprint and is consolidated into a single application to avoid incremental decision making. The is a risk that supporting infrastructures may also not materialise and the development may not achieve the full final extent as a result applied for. For the purposes of an Application for EA, the project must be considered feasible, and for the Applicant that requires approval of all the phases. AA. The Climate emissions and Climate change specialist from Promethium (Joshua Weiss) provided the following responses: <i>The GHG emissions associated with the project is mainly related to scope 2 emissions. The decarbonisation of the project is therefore dependent on the decarbonisation of the grid. The grid decarbonisation is linked to the Integrated Resource Plan and falls outside the scope of control of the project developer.</i> BB. <i>The impact on the broader receiving environment, however, the local receiving environment impacts are negligible from an emissions perspective as the immediate surrounding areas do not experience a tangible climate change impact from the 230 000 tCO₂e potentially emitted.</i>

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				receiving environment. Such emission releases are also contrary to the vision and principles of the eThekweni Climate Change Strategy, the Climate Resilience Strategy and the Climate Action Plan. CC. The Climate Risk and Vulnerability Assessment fails to consider the likely impact of the development on the receiving environment. The report focuses on the how the changing environment may impact the development but fails to speak to how the altered environment and the loss of ecological goods and services across the broader site will impact on the communities surrounding the site and downstream in the catchments. These communities remain some of the most vulnerable to the impacts of climate change and least equipped to mitigate risks, yet the report does little to identify the risk posed by the development on these communities or present measures to build resilience. Infrastructure EE. Further to comments raised on the dSR, this Department notes that the proposed temporary wastewater treatment plant (WWTW) will only treat effluent to General Limit Values (GLV's). This Department	<i>BB. CRCD Response: The recommendations outlined by the climate change specialist to reduce the expected GHG emissions of the development, have been noted. Once end users are determined and where possible, the specialist recommendations can be applied, based on the end user requirements and activity. The current GHG emissions inventory assumes only road transport to the proposed site. The Project intends to utilise the existing railway line (subject to Transnet approval), and this shift in transportation mode from road to rail, may result in further reductions to the current GHG emissions volume and potentially help alleviate congestion at the Port of Durban. The current GHG inventory is based on a worst case scenario, and this benefit was not considered, as it could not be confirmed with Transnet.</i> <i>CC. The risks are detailed in section 6.4 of the CCRVA. There is limited scope to do so other than ensuring adequate management of stormwater pollutants. This should be complemented by strict enforcement of regulations and bylaws by officials in the municipality and provincial government.</i> CRDC Response: Another key ecosystem service that will be lost by the communities is access to grazing land. This has been assessed as part of the EIA Report and captured in the Social Assessment as well. To cater for this loss of grazing, the Applicant has requested for allowance of community cattle grazing within the onsite biodiversity offset areas, and has proposed further grazing studies to determine if a balance can be achieved between biodiversity offset objectives and sustainable grazing. It must be noted that ecosystem service considerations have been made as part of the biodiversity offset study. An area of Eastern Valley Bushveld, totalling 378 hectares, will be donated to the relevant authorities (based on specific conditions prescribed by the Applicant), to assist in safe guarding the Inanda Dam catchment from future development, thus ensuring regulating services continues in this key area. EE. The requirements for WWTP and effluent discharge quality forms part of the WULA process. A WULA process in terms of the National Water Act is being undertaken in parallel with the EIA and the Applicant will abide by and design for the water quality standards as specified by

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				requires that the quality of the effluent be improved to meet, as a minimum, the Special Limit Values (SLV's) as prescribed by the Department of Water and Sanitation. The WWTW discharges into systems recognised as being of moderate to good ecological state. The effluent will flow through one of the eThekweni Municipality's 'Priority Wetlands', the Hammarsdale Community and the nTshongweni Nature Reserve. As such the quality of the effluent will have an impact throughout the catchment and across a variety of potential user groups. FF. The developer must consider re-use and/or a 'second class' water system for the development to help reduce effluent discharge into the natural environment. GG. All stormwater management proposals must be revisited. The current proposal will capture and concentrate runoff from within the development footprint. This has the potential to result in both too much and too little water reaching certain parts of the plateau and drainage lines. This in turn will impact groundwater recharge functioning on the plateau and will directly and indirectly impact negatively on the various drainage lines and watercourses feeding from the site. HH. The stormwater management proposal must look to spread discharge across a wider area through a focus on onsite attenuation and infiltration. In addition, the stormwater layout must focus on a shift to more, smaller discharge points rather than few, large discharge points.	DWS. Engagement with DWS and Engineers is continuing. The plant has been designed for General Limit Values and is capped at a 2ML/d capacity and will be decommissioned once municipal infrastructure is installed. FF. Effluent reuse does not form part of the current application as the end-users and the potential opportunities and demand for recycled water reuse although the potential exists. The Applicant will explore the potential reuse opportunities once there is clarity on end-users and the potential opportunities for reuse become known. The relevant authorities will need to be engaged if this opportunity exist as there are other environmental consideration associated with effluent reuse. GG & HH. According to the Engineers (Kantey & Templer) <i>Each site developer will be responsible to construct their own attenuation ponds to ensure that their post water does not exceed the pre-stormwater. The attenuation ponds on each site to be developed will be designed with a throttling manhole that will allow stormwater to flow from the site into the road stormwater system. The attenuation ponds are designed to only retain stormwater in the event of a heavy storm/ flood event. The discharge of this stormwater will be restricted by the throttling manhole which is designed to avoid flooding of the lower lying areas. The post stormwater designed will not exceed the pre-stormwater.</i> <i>The current design can be altered to ensure that the stormwater discharging onto existing grasslands will be spread over a broader area. The perimeter roads will be sloped with a fall across the road towards the outside perimeter of the development. Gaps of approximately 50mm wide will be constructed in the kerbing at one metre intervals on the outside road perimeter. This will result in rainwater received on the road flowing through the gaps and onto the verge and thereby discharging onto the surrounding landscape to recharge the adjacent properties. The majority of the stormwater water will still flow into the attenuation dam via the kerb and channelling with a small percentage of stormwater that will be released through the small gaps in the</i>

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				II. All attenuation structures must be incorporated within the development footprint and must not be positioned within the grasslands or protected areas. JJ. The proposed over-head 132kV powerline and substation proposed for Phase 2 is not supported in its current alignment. The existing line along the cliff edge already poses a significant environmental risk to birds. The inclusion of this additional power line perpendicular to the existing feed will no doubt fragment the corridor and pose a direct risk to birds using this flight path. The connection must be moved south with the feed into the proposed Phase 2 connecting from the vicinity of the Assmang smelter site or from the proposed Phase 1 site. This way potentially environmentally high-risk infrastructure is consolidated. Conclusion KK. The development of a logistics or industrial node at Cato Ridge has been recognised in the statutory planning for the eThekweni Municipality and the principle of land release, in alignment with these plans is supported by the BMD. However, the process for the approval of any	<i>kerbing. This will result in a marginal impact on the surrounding landscape even in the event of a high rainfall event.</i> <i>This will promote additional rainwater in the area which will not affect the footprint of the roads. Additional formal discharge points will not be required.</i> <i>Where the stormwater discharges into the attenuation dam it will be further restricted by the throttling manhole, which has a gabion structure for erosion protection at the outlet to minimise the outlet flows.</i> <i>The attenuation ponds and gabion structures have been designed within the development footprint at low spots of the road network, road junctions, to enable a gravity feed.</i> <i>II. The attenuation ponds indicated on the drawings are sized and designed only to accommodate the post stormwater from the roads and work in the same manner with a throttle manhole that only restricts the stormwater flow in the event of a heavy storm/flood event as explained above. Under normal circumstances the flow of the stormwater at the discharge point is not restricted.</i> <i>JJ. We recognise the concern with the Phase 2 Option 2 electrical connection. As indicated in the EIR the Option 1 connection is the preferred option as it does not cross the grasslands or approach the escarpment edge. The preferred connection option will need to be selected by Eskom if Option 1 is not acceptable that an altered approach may be required instead of the current Option 2. If this should occur, then an EA Amendment process would need to be undertaken for a revised connection.</i> <i>EAPs view: In the EIA the loss of vegetation is assessed as significant or Major (-) both pre- and post-mitigation and no higher rating can be assigned. The loss of critically endangered vegetation cannot not be supported without adequate biodiversity offsets and when viewed from a biodiversity perspective alone. However, decision makers must</i>

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				transformation must adhere to the principles of sustainability and best practice with regards to any processes that are presented to address impacts. This application has failed to adequately present a suitable and environmentally sustainable development proposal. The proposed development will impact significantly on Critically Endangered habitat and the proposed offset plan falls well short of ensuring that the residual impacts from any of the phases are addressed. The offset plan must be revised to align with the conservation imperatives of the impacted habitats – as prescribed by EKZNW and the eThekweni Municipality. Until such time as the residual impacts of the proposal are fully addressed and presented, this application remains fatally flawed. LL. Furthermore, scale and phasing of this development must be revised to align with the infrastructural constraints of the region. The application relies on infrastructural upgrades that fall outside of the applicant's scope and are subject to their own authorisation processes. MM. This Department reserves the right to comment further and raise specific requirements as additional information is presented in this process.	weigh all aspects including the social and economic benefits that may arise from the project, its linkages with other strategic projects (i.e., back of port facility and SIP 2 corridor). When weighed with (1) the dire social and economic development needs in the Cato Ridge area and province, (2) the strategic location and topography of the site and linkages with other strategic projects, (3) overarching conclusions by the various contributing specialists (and noting that the vegetation specialist does not support the loss of vegetation), and (4) the pre-existing pressures on the site from various informal activities, the EAP is of the view that the project could be allowed to proceed if the mandated authorities can reach agreement on the proposed biodiversity offsets. The EAP is of the view that Applicant has made concessions to the project layout during the impact assessment process in response to the constraints identified by the various specialists. The EAP believes the biodiversity offset specialist engaged widely and has presented a reasoned approach to identifying appropriate biodiversity offsets. The Competent Authority must weigh the need and desirability of the project with the potential positive benefits against the negative impacts to determine what is reasonable. With regard to the concerns raised on the biodiversity offset process, please refer to the response provided by the Biodiversity Offset specialist (Mr Doug McFarlane) attached as Appendix A of this document. LL. Project feasibility is determined on the full project extent and a phased approach may also constitute incremental decision making and has been avoided. Land use planning applications will serve to determine if the requisite infrastructure is available as the project progresses and ensure the project does not run ahead of service supplies (water, energy, traffic, sewage, etc). These discussion and processes can only be commenced in earnest once the Applicant has a known/approved project footprint to inform these processes. MM. The BMD's right to engage and input on into the EIA process is noted.

Traffic and roads	Vinesh Sudhama (ETHEKWINI TRANSPORT AUTHORITY)	Letter	22 June 2023	Application number: DMP / EIA 958 A Cato Ridge Land Development and release Project - Assmang Draft EIA Report for the Cato Ridge Land Development and Release Project 1. Documents considered in the review: a. Environmental Impact Report for the Cato Ridge Land Development and Release project – Assmang - undertaken by ZUTARI – EDTEA Ref no. DM 000/2023 Doc no. 1001556 Rev 1 dated 2023/05/12 b. Traffic Report – DMA – David McFarlane and associates – Report no. R2022/11/P0347 Rev 5 dated March 2023 2. Key factors considered: a. Proposed 351 Ha, light Industrial, Logistics, Commercial, warehousing and distribution Precinct. b. The development of the precinct will be undertaken in 3 phases. c. 131 Ha will be developed over a 10-year period as phase 1 d. 174 Ha will be developed over 11–20-year horizon as Phase 2 e. Remaining 46 Ha will be developed over 21–25-year horizon as Phase 3. f. All existing roads, within the study area, are currently Provincial and national roads. 3. The EIA application is Approved, subject to the following conditions being addressed prior to the SPLUMA submission approvals 4. Transport Planning Branch comments: -	1. Context a. Context b. Context 2. a. Context b. Context c. Context d. Context e. Context f. Noted, the affected roads within the study area are provincial and national and all relevant authorities have been approached for comment. 3. Approval of the EIA subject to the following conditions is noted. 4. The Applicant understands that detailed ongoing engagements will be required with all transport authorities and recognises that an updated Strategic Transport Assessment is required and will consider contributing to the completion of the study. As per the most recent engagements (Thursday 22 June 2023), it was noted that SMEC did an STA in 2019 and the eThekweni Municipality acknowledged it is the Municipality's responsibility to undertake update the 2019 study or initiate a new study and it is not the responsibility of the developer. This study should be led by the eThekweni Transport Authority and the scope
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				a. The Strategic Transport Assessment (STA) for the Cato Ridge area requires updating taking into account this proposed full development and the proposed new interchange layout. b. Clarity on the assumed trip distribution is required. (Was existing traffic and EMME modelled trip distribution investigated?) c. The reduction in trips and then further reduced by 25% for rail requires motivation and would need to be phased. (With current modal shar of 8% rail be tested in the short term.) d. A phased development approach with a phased infrastructure plan and costing would need to be clear. e. Cost contribution for the infrastructure upgrades are not illustrated. f. Comments from SANRAL and KZN DoT are required – as they are road/asset owners. 5. Public Transport Planning Branch comments: - a. Assuming that the proposed phased development would ultimately generate 8101 person trips in the peak hour, however it is unclear as to which destinations these passengers would be distributed too. The person trip rates would be further elaborated and confirmed. b. The assessment does not include the required service plans that provide guidance in terms of the proposed PT	for the STA should provide for the issues raised under item 4 – comments by the Planning branch. a. It is intended to undertake a STA using the EMME model in due course. b. Trip distribution was a simple assumption and did not come from EMME. c. Noted by specialist and will be included in future work. d. Noted by specialist and will be included in future work. e. Noted by specialist and will be included in future work. f. SANRAL and KZN DOT have been approached for comment on the draft EIR. 5. The Applicant understands that detailed ongoing engagements will be required with all transport authorities and recognises and recognises that an updated Strategic Transport Assessment is required and will consider contributing to the completion of the study. As per the most recent engagements, this study should be led by the Transport Authorities and the scope for the STA should provide for the issues raised under item 5 – comments by the Public Transport Planning Branch. . a. Noted by specialist and will be included in future work. b. Noted by specialist and will be included in future work.
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Issue	Name	Format	Date	Question / Comment	Response (EAP, Applicant, Specialists and Engineers)
				routes (considering made to road reserve), mode of PT service required to service the peak demands, the vehicle fleet size and service frequencies. c. The assessment does not include the required infrastructure plans which would align to the PT service and commuter needs. Maps and diagrams off proposed PT infrastructure locations is inadequate. D. The infrastructure plan must include detailed conceptual design plans for all PT facilities associated with this development (origin and destination facilities as well as PT stops enroute). e. Land set aside for PT facilities should be clearly demarcated on the development precinct plans for all PT facilities as part of the town planning layout proposal. Public Transport servitudes are to be registered on sites housing PT facilities (ranking and holding). f. The assessment must also provide the roles and responsibilities for either or both the funding and construction of the requisite PT infrastructure noting that certain assets are not municipally owned. Should you have any queries or require clarity in respect to the above comments, please do not hesitate to contact the Public Transport Planning branch. 6. Traffic Engineering Branch comments: - a. KwaZulu Natal Department of Transport (KZN DoT) and South African National Roads Agency Limited (SANRAL) must comment on this application and Traffic report, since all roads within the study area are currently under the jurisdiction of KZN DoT and SANRAL. b. All internal road infrastructure, intended to be handed over to the Municipality, must meet minimum engineering standards in consultation with ETA and Roads Provision Department.	c. Noted by specialist and will be included in future work. d. Noted by specialist and will be included in future work. e. Noted by specialist and will be included in future work. f. Noted by specialist and will be included in future work. Thank you for the comments, project role players will communicate with Public Transport Planning branch with any matters pertaining. 6. a. SANRAL and KZN DOT have been approached for comment on the draft EIR. b. Internal roads will be designed to relevant Municipal standards. Engagement will be undertaken with ETA to determine if and which precinct roads will be handed to the municipality.

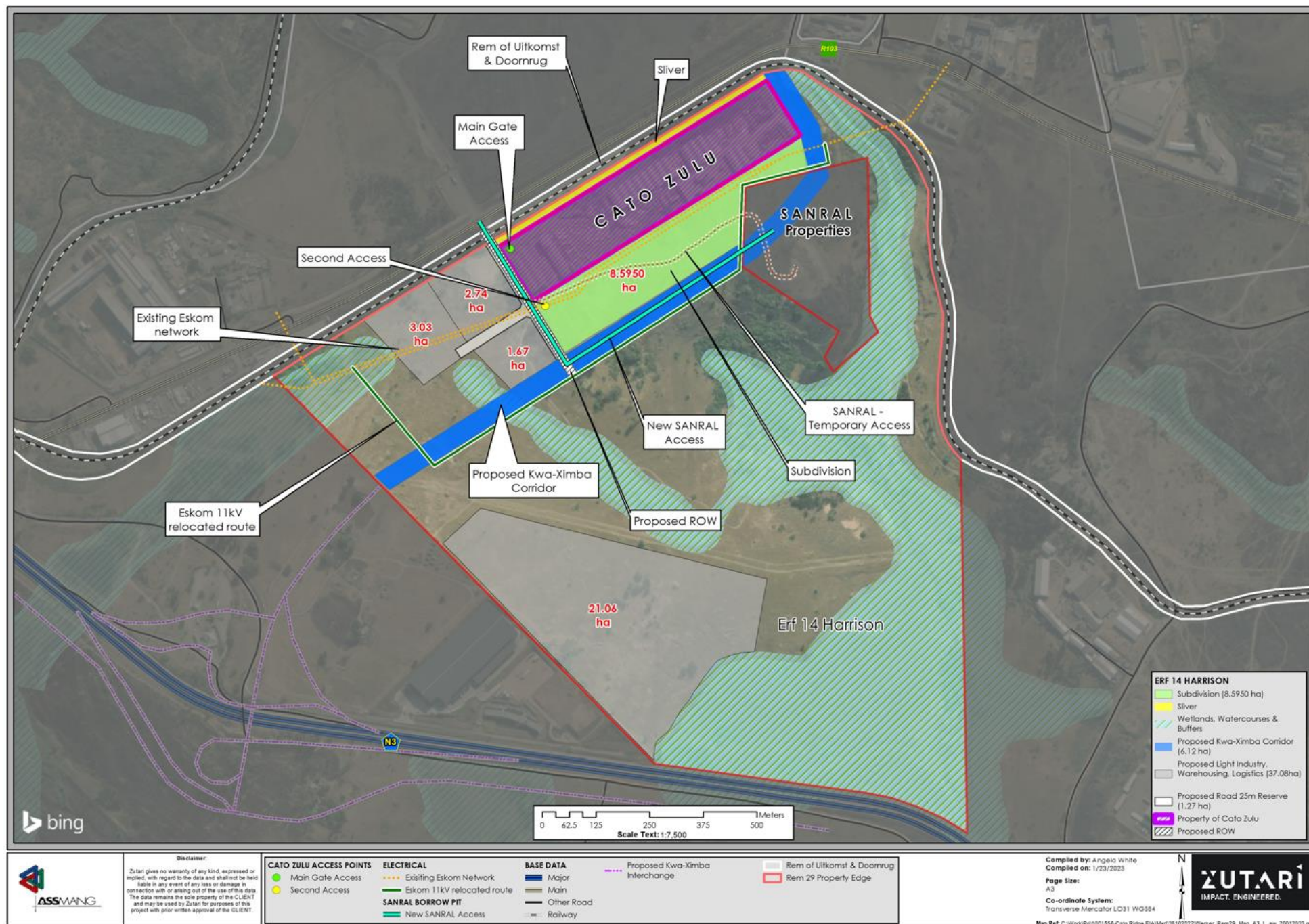


Figure 1: Proposed new Harrison Quarry Access

23rd June 2023

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Dear Patrick

ASSMANG LANDHOLDINGS, CATO RIDGE, KWAZULU-NATAL: BIODIVERSITY OFFSET REPORT

RESPONSE TO COMMENTS RECEIVED BY KZN-EDTEA, EKZNW AND EBMB

Zutari submitted a Draft EIA Report for the proposed Cato Ridge Land Release and Development Project. A suite of responses was received from the regulating and key commenting authorities, many of which related to the biodiversity offset report prepared by Eco-Pulse Environmental Consulting Services. Rather than responding individually to the comments provided, I have taken the liberty to prepare a formal response that can be shared with stakeholders. This response has been structured based on common themes outlined across several of the submissions received.

1. Avoidance of Critically Endangered KZNSS has not been adequately addressed.

Both EKZNW and EBMB emphasize the importance of maintaining remaining areas of KZNSS to meet conservation targets. The location of these priority areas is well articulated in existing provincial and municipal conservation plans and it is acknowledged that such areas should ideally be avoided to secure areas of critical biodiversity and the ecosystem goods and services provided by these areas.

Unfortunately, given the high demand for development in eThekweni, there is and will continue to be a conflict between conservation and development. This potential for conflict in the short-to-medium term was demonstrated by undertaking an exploratory investigation to assess the potential implications of current land use plans on the future conservation of KZNSS in the Metro (Annexure C of the offset report). This built on work previously undertaken in 2015 as part of a process to explore the potential of establishing a conservation banking scheme in the Metro¹ which had suggested that there was likely to be a deficit of offset land available to compensate impacts to KZNSS of in excess of 25 000 Ha in the Metro if a 30:1 ratio was applied to areas already earmarked for development in the Metro's planning schemes. This assessment was revisited during the inception phase of offset planning to accommodate more recent data and to cater for reduced impacts in areas where development plans conflict with the DMOSS layer.

This assessment confirmed the high levels of transformation of this vegetation type and showed that there is in the region of 12500 Ha of KZNSS remaining within the eThekweni Municipality, with more than 50% of these areas occurring at higher elevations above 450m.a.s.l. This translates to approximately 15% of its historic extent which is consistent with a classification of Critically Endangered in the city limits. Despite existing conservation efforts, only 2% of the original extent is currently under any form of conservation further highlighting the critical need for enhanced conservation of this vegetation type.

The assessment also illustrated that the implementation of the current zoning scheme alone, and factoring in notable modifications in layouts to cater for earmarked DMOSS areas could trigger offset obligations in the region of 19 000-

¹ Macfarlane, D.M., Van Deventer, R., and Von Hase, A. 2015. Deliverable 2: Review of local context and associated constraints and opportunities for piloting a conservation banking scheme. Version 0.1 Unpublished draft report prepared for eThekweni Municipality and the Critical Ecosystem Partnership Fund prepared by Eco-Pulse Environmental Consulting Services and Forest Trends.

hectares when applying offset ratios of 30:1. When broader land use planning tools are also considered in areas not covered by existing zoning schemes, this figure rises to more than 30 000-hectares.

The assessment also provides an indication of the land that could theoretically be secured to meet like-for-like offset obligations for impacts on KZNSS in the Metro. This suggests that remaining grassland fragments not targeted for development could serve to secure close to 8000-hectare equivalents of KZNSS. Given the small size of most fragments, and competing development aspirations, securing even 3000ha within the metro is likely to be challenging.

It was on this basis that the need to consider a revision in offset policy for KZNSS in the eThekweni Metro was recommended to EBMB and EKZNW early in the offset planning process. The need to apply a tailored approach to offset planning within a rapidly urbanizing context was further motivated with reference to the Western Cape Offset Guidelines. In these guidelines, requirements for the size of biodiversity offsets inside an urban edge are substantially lower than those required outside the urban edge. Indeed, the application of offset ratios within or inside a recognised urban edge are 1:1 for Endangered ecosystems and 2:1 for Critically Endangered ecosystems. Reference was also made to the innovative approach taken by the City of Cape Town's Biodiversity Management Branch to prepare a Conservation Implementation Plan for the Cape Flats Dune Strandveld vegetation type in order to address the strategic compromise needed between competing development and conservation aspirations.

Whilst avoiding significant impacts to KZNSS is desirable from a conservation perspective, there is a need to adopt a sustainable development perspective that seeks to balance conservation with social and economic development aspirations in the Metro. This is lacking from the current offset guidelines, particularly within rapidly developing urban areas and it is on this basis that the offset proposal for this development deviated from existing guidelines. Ultimately whether an appropriate balance is presented through the development and accompanying offset proposal will need to be evaluated by the regulating authority.

2. Critically endangered habitat cannot be offset

The offset specialist agrees fully that significant impacts to CR ecosystems should only be approved for projects that have "Imperative reasons for overriding public interest". This is a matter that will need to be carefully considered when evaluating the application whilst seeking to also balance social and economic factors.

The comment made by EKZNW that *"any residual impacts would need to be compensated for, rather than offset as is currently proposed in the document"* is regarded as semantics rather than being of any practical value however. It is also worth noting that DFFE have indicated that the approach to "ecological compensation" has been changed in the National Offset Guidelines which has recently been approved by the Minister.

Indeed, the updated guideline notes that *"Ecological compensation can be described as the outcome of measurable actions to protect, rehabilitate and manage priority biodiversity, aimed at compensating for residual negative impacts on biodiversity and ecological infrastructure but is not designed to counterbalance those impacts."* In this instance proposed offset actions are specifically designed to counterbalance the residual negative impacts of the development through increased protection and appropriate management of KZNSS. As such, offset actions are regarded as appropriate for this application.

3. The concept of applying a hectare equivalents approach that integrates a measure of habitat quality is untested and unsupported.

It must first be pointed out that the provincial offset guidelines do allow for adjustments to be made to offset calculations based on habitat condition. It is noted in particular that *“The condition of the residually affected terrestrial habitat / potential offset area(s) should be taken into account both in adjusting the size of offset required and when choosing an appropriate offset.”* The guidelines then go on to provide specific guidance on how condition should be taken into account in offset calculations: *“When the habitat is degraded but not completely transformed (i.e. where there is less than 25% of expected species supported by the affected habitat, compared with an undisturbed site in a comparable vegetation type or terrestrial ecosystems, then the ratio could be reduced by as much as 50% on the advice of the biodiversity specialist in collaboration with Ezemvelo, provided that the habitat serves no other significant function.”* The above guidance is both **generic** (not tailored to any specific habitat type) and **conservative** (allocating a 50% score to degraded habitat and 100% to moderate and good condition habitat).

As correctly pointed out, the hectare equivalents approach is applied for wetland offset calculations. In the case of wetlands, separate offset calculations are made for (i) Ecosystem Conservation and (ii) Water Resources and Ecosystem Services. The calculation for Ecosystem Conservation effectively mirrors the approach used for terrestrial ecosystems (area x conservation ratio) but also includes an adjustment factor for habitat condition. The conservation ratio is also calculated through a more nuanced approach than for terrestrial ecosystems and includes (i) ecosystem threat status and protection level; (ii) regional and national context and (iii) local context. This effectively means that a ratio of 30:1 is only applied in instances where the regional and national context support the critical nature of the targeted wetland for conservation.

In the case of wetlands, the measure of habitat condition requires the specialist to calculate a score (%) that reflects the condition of the wetland habitat relative to reference conditions. The “opportunity loss” multiplier is only applied in KZN at this point, and effectively accounts for the restoration potential of the wetland when determining offset obligations. The approach proposed for rating the condition of KZNSS mirrors the approach used for wetlands in that the score for habitat condition is calculated as a % relative a reference plant community. Whilst not based on a published method, the rating scheme developed has been proposed based on an analysis of 290 plots, with information collected using a tested and transparent data collection process. A somewhat conservative approach has also been applied when setting an upper “reference” class boundary and by adjusting ratings to account for species of conservation concern. By applying this approach, more than 50% of sampled plots used to inform the classification effectively score a 100% rating based on forb characteristics. The proposed approach is based on good science and is regarded as a more refined and scientific approach to the course adjustment factors advocated for condition in the current provincial biodiversity offset guidelines. On this basis, it is argued that the proposed approach is both defensible and informed by a sound scientific approach that is lacking from the more generic guidance provided in the provincial guidelines.

A sound rationale for why “opportunity loss” should not be considered in this instance has also been provided by undertaking an evaluation of recovery potential following disturbance. This has clearly shown that KZNSS grassland habitats with low diversity have limited recovery potential and as such, their conservation value is unlikely to improve significantly in the next 100 years. This is acknowledged by EKZNW in their comments.

4. Plant species of conservation concern are not integrated into offset calculations.

EBMB state that *“the approach fails to take cognisance of the rare and endangered plant species identified on the development sites when determining cumulative equivalent loss.”* This is factually incorrect given that *“a second qualitative criteria was added to ensure that grasslands supporting important species of conservation concern were not undervalued in terms of their importance.”* The approach for integrating the importance of plant species of conservation concern is outlined in Annexure A (See Table A2 and Figure A3).

5. Faunal assessment and the sensitivity rankings are disregarded.

EBMB argue that *“the approach completely disregards the faunal assessment and the sensitivity ranking linked with this study. Much of the preferred layout will directly impact on areas of moderate sensitivity – yet no consideration of this aspect is factored into the calculations or approach.”*

The argument that the assessment “completely disregards” the faunal assessment is unfounded, particularly given that it can be clearly demonstrated that almost all areas of “high” faunal sensitivity have been avoided and will be conserved as part of the offset strategy (See Figure 16 of offset report). An ecological corridor has also specifically been integrated into the final layout to cater for faunal movement.

Whilst it is acknowledged that offset ratios do not specifically account for faunal sensitivities, the following is acknowledged in the offset report: *“Several faunal SoCC have been identified as potentially occurring on the site and are likely to mostly utilize more intact habitats (Harvey Ecological, 2022). The faunal assessment has not identified the need to specifically address offsets for any specific animal species and indicated that addressing ecosystem impacts through the offset process was expected to also benefit animal SoCC.”*

An option could be to amend offset ratios further by integrating faunal sensitivity scores into offset loss-gain calculations. It is however argued that undertaking detailed floristic surveys is already onerous and requiring offset calculations to also be informed by faunal sensitivity ratings would add further costs to offset accounting requirements.

6. Areas set aside for conservation on the landowners property would constitute “double-dipping” and as such should not contribute to meeting offset obligations.

EKZNW and EBMB argue that “avoidance” of sensitive areas would already result in the conservation and long-term management of undeveloped areas and as such, that conservation of on-site areas should not then be considered later in the mitigation hierarchy. The emphasis of avoidance is however on minimizing impacts through sound planning and does not commit an applicant to rehabilitation or conservation actions which are clearly emphasized later in the mitigation hierarchy. In this instance, the applicant has demonstrated that they have applied this step in the mitigation hierarchy by *“successfully excluding many of the most sensitive areas on the landholdings belonging to the applicant”* as acknowledged by EKZNW.

Whilst it may be true that developments are often required to set aside land for conservation outside of any offset process, this is effectively a vehicle for counter-balancing impacts (comparable with the offset process) and such actions are considered when evaluating the net suitability of the project. This matter is dealt with in Section 2.2.3 of the provincial offset guidelines as follows:

“Voluntary protection and management of habitat for biodiversity conservation purposes might be proposed by a developer as an integral part of the project proposal where that habitat could make a significant contribution to biodiversity conservation objectives in the province, and where the landowner is amenable to doing so.

In many instances, the proposed contribution of land for conservation purposes is not linked to the need to compensate for residual negative impacts on biodiversity of the proposed development, and would thus not constitute an offset. These proposals could, however, have major benefits for biodiversity conservation. It would be important for the authorities and/or conservation agency to evaluate any additional costs to them that would be associated with the proposal, prior to entering into a stewardship (or similar management) agreement.”

This section of the provincial guidelines is clearly referring to on-site conservation for developments that do not trigger offset obligations and as such, is not relevant to this project where offsets are specifically required.

Where offsets are required, there is however a need to establish the adequacy of proposed offset actions. In this instance, the logical first step is to evaluate whether or not offset obligations could be met on land already owned by the applicant before considering other properties. This is because such areas can be easily secured and managed relative to securing offsets of other landholdings.

It must also be pointed out here that the obligation to formally proclaim and ensure that funds for establishment and management are made available are also significant more onerous for offset sites. This includes the need to formalize protection under NEMPAA where possible together with a need to commit funding for long-term-management.

So, rather than being concerned whether land is conserved on the applicant's land, on a bordering property, or further afield, the emphasis should be on demonstrating that offset actions are additional to a "without development" scenario and that selected offset sites will make a meaningful contribution to conservation targets. In this instance, it is clear that under a "without development" scenario, the land would continue to degrade. Under a "with development" scenario however, offset actions will add significant to conservation efforts in the region.

The concept of "double dipping" refers to situations where land set aside as an offset or for conservation purposes under existing legislation or offset commitment is later used as an offset to compensate for the impacts of another development project. This is clearly not the case in this instance, and indeed, on-site conservation areas are routinely considered as potential offset sites in other jurisdictions and as such, the notion that including on-site areas constitutes "double-dipping" is unfounded in this instance.

7. The need to specifically factor in the loss of ecosystem goods and services in offset calculations.

This matter was specifically raised by EBMB who indicated that *"no consideration is given to the significant ecosystem's services provided by the grassland and the need for compensation for these losses in offset calculations"*.

The following is acknowledged in Table 1 of the offset report: *"No specific assessment of the impact of grassland transformation on ecosystem service delivery was undertaken for this proposed development. The most significant impact is likely to be associated with a loss in grazing land for local communities which will need to be addressed through community consultations. Hydrological services such as a flow regulation will be addressed as far as possible through a combination of grey and green solutions as part of the stormwater plan. Despite the above mitigation measures, the offset plan has included targeted actions to ensure that some key areas providing regulating services for Inanda dam are safeguarded from future development."* It should be further noted that mitigation measures such as the integration of flood attenuation measures have been introduced to compensate for some of these lost ecosystem goods and services. Based on the above, and in the absence of any meaningful guidance on how ecosystem services can be integrated into offset planning for grassland ecosystems, it is argued that this matter has been dealt with in a reasonable (though far from perfect) manner.

8. Inclusion of out-of-kind habitat in the offset proposal

Earmarked on-site offset areas include areas of wetland, grassland, eastern valley bushveld and forest, all of which will receive protection and management as part of offset actions. Whilst these areas are recognized as being "out-of-kind", such actions will nevertheless contribute to provincial conservation targets for these vegetation types. As such, a motivation was included to allow such habitats to contribute to some extent towards offset targets.

Both EBMB and EKZNW note that the inclusion of Eastern Valley Bushveld into offset targets would not be acceptable. This has already been considered and areas of Eastern Valley Bushveld areas do not contribute in any way to meeting quantitative offset targets.

The ratios put forward for other habitats are open for interpretation and discussion. It must however be noted that the wetland system earmarked for rehabilitation and protection is a *"priority wetland system identified for conservation by the eThekweni Municipality and is highlighted in the specialist report as a wetland of high conservation value"*. The applicant has also agreed to rehabilitate the wetland, based on the understanding that such actions would contribute towards offset targets. Should this not be the case, there would be little reason for the applicant to put extra effort into enhancing the conservation value of the wetland.

9. Adjusting offset ratios based on the practical considerations.

EBMB have clearly indicated their preference for development impacts to be compensated for through offset actions within the Metro. In response, considerable time has been spent on prioritizing potential offset receiving areas and obtaining a cost-estimate for securing offsets on private land within the Metro. Cost-benchmarking has revealed a major cost differential between meeting offset obligations in and outside the Metro.

EBMB however argue that cost are irrelevant and that *“At no point should the cost of implementing an offset be a reason to revisit the scale of such.”* The reality however is that there is no requirement to impose artificial administrative boundaries on offset planning and site selection. Indeed, the applicant is free to select suitable offset sites provided they adhere to best-practice principles, which in this case is guided primarily by the need to secure and manage priority areas of KZNSS, irrespective of their location in the province.

An adjustment factor of 7:1 has however been proposed in order to incentivise offset actions within the Municipality (in line with EBMBs aspirations). This quantum has been based on financial estimates but should ideally be refined through further discussions with EKZNW and EBMB given that the adoption of this approach will have implications for future offsets in the Metro.

It is important to note however that unless such costs are considered in the offset planning process, there will be no incentive for developers to meet offset targets within the Metro.

10. Applying adjustment factors to on-site conservation areas

EKZNW argue that adjustment factors should not be applied to on-site conservation areas since the applicant is not spending any finances on purchasing the offset receiving areas. The reality however is that there is still an opportunity cost to setting areas aside for conservation. Indeed, if these areas were not to be set aside as offset areas, they would be ideal offset sites for other developments in the metro. As such, it is reasonable that ratios applied to on-site conservation areas should be treated in the same manner that any other offset sites in the eThekweni Municipality.

11. Lack of independence of the offset specialist

EKZNW challenge the independence of the offset specialist and argues that the offset/compensation proposals are a fatal flaw in this proposal. They further indicate that *“The applicant will need to revisit the offset/compensation proposal in toto, and resubmit for decision making”*.

This challenge on the independence of the offset specialist is uncalled for and is not supported by any evidence. Indeed, the offset specialist has no financial or personal interest in the development other than payment for professional services rendered, noting further that fees are not linked in any way to the recommendations put forward in the biodiversity offset report. Indeed, the only rationale for challenging the independence of the offset specialist appears to be based on the reduced offset obligations put forward in the offset report which differs substantially from the existing offset guidelines as developed by EKZNW and historically applied in the Metro.

The need to consider alternative and more practical approaches to offset planning in rapidly developing urban areas has however been acknowledged in the Western Cape Offset Guidelines whilst the need to develop nuanced approaches for urban areas is also acknowledged in the Draft National Biodiversity Offset Guidelines. It was on this basis, and experience in developing offset proposals in the City of Cape Town, where this approach is supported by the City of Cape Towns Biodiversity Management Branch and Cape Nature, that the offset specialist provided a motivation to adjust ratios down in the eThekweni Metro.

The need for consultation and adjustment of offset actions is recognized as central to the offset planning process. A concerted effort has therefore been made to engage with and obtain input from EKZNW and EBMB as part of the offset planning process. Despite these efforts, little alignment could be achieved given the inflexibility with which these parties have approached the offset planning process. The call to now *“revisit the offset/compensation proposal in toto”* rather than engaging practically to arrive at a feasible solution following nearly two years of discussions speaks further to the standoff approach taken thus far to developing a feasible and acceptable offset proposal.

It must be further acknowledged that the role of an offset specialist is to prepare a biodiversity offset report that provides ‘reasonable’ compensation for development impacts. This is a challenging role, particularly in an emerging field like biodiversity offsets where guidelines are still under development and some of the aspirations reflected in existing guidelines are not well tested. The specialist is also required to present a “feasible” and “implementable” proposal that can be integrated into the conditions of authorization. As such, complete independence is not practical or feasible since the ability of the applicant to locate, finance and implement offset actions also needs to be considered when preparing an offset proposal.

Within this context, all deviations have been backed up through a considered and transparent process, using scientific evidence and costs estimates that were refined by a third party. The adjustment factor of 7:1 for land within the Metro is arguably the most contentious proposal but is based on the comparative costs of meeting offset obligations on private land outside the Metro. The initial adjustment factors presented to EBMB and EKZNW were 5:1 based on early financial estimates. Conservation Outcomes were then appointed to review and refine these costs, with an understanding that the updated costs would be used to refine the adjustment factors (up or down) accordingly. The reality is that the revised cost estimates for stewardship on private land came back significantly lower than previously calculated and it was on that basis, that adjustment factors within the municipality were updated accordingly.

Whilst alignment is ideally achieved prior to the offset report being submitted, there is still potential to review and refine the biodiversity offset report in response to comments received from key stakeholders as part of the public participation process. It is with this in mind that more constructive dialogue would be encouraged rather than questioning the independence of the offset specialist. We do however remain open to discuss the basis on which adjustment factors have been proposed and to revise these ratios based on a well-considered view that takes the local context and financial implications of high offset ratios both for this and future developments, into account.

12. Phasing of offset activities

EBMB indicate that *“No deferred offsetting or reliance on alternative mechanisms for offsetting can be supported given the risk associated with loss of this habitat.”* A phased approach to meeting offset targets is advocated however in recognition of the practical need to generate funds from development to fund offset activities. Furthermore, the phasing of offset actions is planned in such a manner that offset actions (particularly in relation to later phases of development) must be initiated in advance to ensure that risks of not addressing impacts is taken into account prior to habitat transformation being initiated.

The concerns raised by EBMB regarding the *“sporadic release and sprawling transformation of the entire site”* which *“will fragment and impact on the remaining habitat on site”*, is acknowledged as a potential concern. The intent of the applicant is to focus development initially in Phase 1 areas where service infrastructure will be prioritized. It is however understood that the applicant would aim to consolidate development as far as possible due to the high financial impacts of servicing a spread-out development scenario. There is however a possibility that entities may have specific technical requirements that mean that select developments would be best placed outside designated Phase 1 areas. Provided such impacts are catered for through suitable offset sites, this should not be seen as a critical concern.

Reference to *“alternative mechanisms”* presumably refers to the option of biodiversity banking to address off-site offset obligations. The intent here, is to secure offset sites and allocate suitable funding for the long-term management of such sites prior to permitting further development beyond the initial land-released through on-site conservation actions. The use of a biodiversity bank is regarded as a more pro-active and less risky approach than leaving offsets to be secured and managed by the applicant. This approach is broadly supported by KZN_EDTEA who have already initiated the process for developing guidelines for biodiversity banking in KZN. These guidelines are expected to clarify requirements for establishing and regulating biodiversity banks which would help to mitigate the risks of applying this approach to meet long-term offset obligations.

Yours sincerely,



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