

**South Walker Creek
Mine – Kemmis 2
EPBC 2013/7025
Compliance Report
16 November 2017 –
16 November 2018**

12 February 2019



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Introduction

South Walker Creek Mine (SWC) is an open-cut coal mine owned by BHP Billiton Mitsui Coal (BMC). The mine is located approximately 25km west-south west of Nebo, Queensland in the Bowen Basin within the boundaries of Mine Lease 4750 (ML4750).

Mining is authorised by the Queensland Government through the historical grant of Mine Leases and associated surface rights. Activity at SWC is also further regulated under Environmental Authority MIN100552107.

To enable the continuation of mining at SWC, BMC sought a federal approval under the *Environmental Protection and Biodiversity Conservation Act 1999 (EPBC Act)* for potential impact on Matters of National Environmental Significance (MNES) due to development of 'Kemmis 2' open cut mining pit. This approval was granted on the 16th of January 2015. Construction in the approval area commenced on the 16th November 2016.

The following report addresses compliance with all conditions in accordance with condition 8 of the *EPBC Act* approval (Approval Reference EPBC2013-7025):

“Within 3 months of every 12 months anniversary of the commencement of construction the approval holder must publish a report on their website addressing compliance with each of the conditions of this approval, including implementation of any plans as specified in the conditions. This report must remain published for the life of this approval. Documentary evidence providing proof of the date of publication and non-compliance with any of the conditions of this approval must be provided to the Department at the same time as the compliance report is published. The approval holder must also notify any non-compliance with this approval to the Department in writing within 2 business days of becoming aware of the non-compliance”

Description of activities

EPBC Number	2013/7025
Project Name	Kemmis 2, South Walker Creek open cut coal mine, Bowen Basin, Qld
Approval Holder and ABN	BHP Billiton Mitsui Coal Limited ABN: 34 009 713 875
Approved Action	To develop a new open cut mining pit within the boundaries of Mine Lease 4750 located approximately 25km west-south-west of Nebo Queensland in the Bowen Basin (See EPBC Act referral 2013/7025).
Location of the Project	At the northern end of, and adjacent to, existing open cut mining operations at South Walker Creek Mine, 25km west-south west of Nebo.
Person accepting responsibility for the report	Ann Perkins
Date of Preparation	12 February 2019

Compliance Table

In accordance with condition 8 of the *EPBC Act* approval (Approval Reference EPBC2013-7025), this report provides an update of SWC's compliance against the relevant approval conditions (Table 1). Table 2 and Table 3 provides an update of SWC's compliance against Offset Management Plans (required under Condition 3 of the EPBC approval).

Table 1 South Walker Creek Mine – Kemmis 2 EBPC 2013-7025 Compliance Report

Condition Number	Condition	Compliant/ Non Compliant/ Not Applicable	Evidence/Comments
1	The project area is located at the northern end of, and adjacent to, existing open cut mining operations at South Walker Creek Mine, 25km west-south west of Nebo, Queensland is the project area designated in Annexure A and includes areas contained within Mining Lease (ML) 4750. The approval holder must not clear outside of the project area.	Compliant	Clearing activities are being carried out in accordance with the approved Offset Management Plans (OMPs) and site disturbance procedures.
2	The approval holder must not clear more than 13.2 hectares of Brigalow (<i>Acacia harpophyl</i> /a dominant and co-dominant) threatened ecological community and 31.7 hectares of Natural Grasslands of the Queensland Central Highlands and the Northern Fitzroy Basin threatened ecological community within the project area.	Compliant	Clearing activities are being carried out in accordance with the approved OMPs. Areas cleared are within the hectare limits specified in this condition. No additional clearing of Brigalow or Natural grasslands occurred during the reporting period.
3	To compensate for authorised impacts on MNES (per condition 2), the approval holder must submit an Offset Management Plan to the Minister for approval. The approval holder must not impact upon MNES including buffers (as shown in Annexure A) until the Minister has approved the Offset Management Plan in writing. The approved Offset Management Plan must be implemented.	Compliant	An OMP was developed with the purpose being to identify the management objectives and outcomes, and the actions necessary to fulfil the OMP requirements for both the Kemmis 2 (EPBC 2013/7025) and Mulgrave Resource Area (MRA) (EPBC 2014/7272) projects. The OMP ¹ was submitted to the Department and approved. The OMP commenced implementation following the start of construction for MRA (EPBC 2014/7272) on the 30 th of March 2015. Construction of Kemmis 2 did not commence until after MRA on 23 November 2016.

¹ The preparation of Offset Management Plans in accordance with the Conditions of EPBC 2013-7025 was addressed in the following document: [Biodiversity Offset Management Plan for Kemmis II Project and Mulgrave Resource Access Project \(BHP, 2015\)](#). This document includes an Offset Area Management Plan (titled [Offset Area Management Plan for Kemmis II Project and Mulgrave Resource Access Project](#)) as an Appendix.

Table 1 South Walker Creek Mine – Kemmis 2 EBPC 2013-7025 Compliance Report

Condition Number	Condition	Compliant/ Non Compliant/ Not Applicable	Evidence/Comments
4	The offsets must be located at Dabin Holdings (lot 2 SP214117), a property within the Isaac Regional Council, Queensland (shown at Annexure B). The offsets must include at least 65 hectares of Natural Grasslands of the Queensland Central Highlands and the Northern Fitzroy Basin threatened ecological community and 17 hectares of Brigalow (<i>Acacia harpophylla</i> dominant and co-dominant) threatened ecological community.	Compliant	The offset areas are located in the eastern section of Dabin Holdings (Lot 2 SP214117). The offset area includes 65 hectares of Natural Grasslands of the Queensland Central Highlights and the Northern Fitzroy Basin threatened ecological community and 17 hectares of Brigalow.
5	The Offset Management Plan must include, but not be limited to, the following information: a) details of the offset attributes (including maps in electronic Geographic Information System (GIS) format with accompanying shapefiles), site descriptions, environmental values relevant to MNES, connectivity with other habitat and biodiversity corridors, and rehabilitation, conservation and management measures for long-term protection; b) a detailed survey and description of the offset site to clearly identify baseline conditions, establish performance indicators and discuss methods for adaptive management. This must include but not be limited to: i. a description (prior to any management activities, hence a baseline) of the current condition of the extant vegetation of each offset area, location of survey points (GPS reference); ii. the quantity of habitat for EPBC Act listed species or communities (in hectares), found within each offset area; iii. the condition class of habitat for EPBC Act listed species or communities found within each offset area; iv. vegetation condition mapping; v. photo reference points; vi. tree age class representation; vii. percentage tree canopy cover; viii. number of native plant species in ground layer; ix. . percentage of native and foreign grass cover and whether the grass species are annual or perennial ;	Compliant	As per condition 3 the Offset Area Management Plan Kemmis II Project and Mulgrave Resource Access Project was approved by the Department of Environment 26 August 2015 (reference: 2013/7025 and 2014/7272).

Table 1 South Walker Creek Mine – Kemmis 2 EBPC 2013-7025 Compliance Report

Condition Number	Condition	Compliant/ Non Compliant/ Not Applicable	Evidence/Comments
	<p>x. description of fauna habitat including condition, type and connectivity; and</p> <p>xi. fauna surveys (fauna assemblage and species richness) including but not limited to EPBC Act listed species.</p> <p>c) plans to improve upon the baseline condition of Natural Grasslands of the Queensland Central Highlands and the Northern Fitzroy Basin and Brigalow listed threatened ecological communities consistent with EPBC Act listing advice. These plans must include:</p> <p>i. a map showing areas to be managed;</p> <p>ii. management actions for each area and details of methods to be used. These must include:</p> <p>a. actions consistent with objectives stated in relevant threat abatement plans;</p> <p>b. management actions to improve the quality of Natural Grasslands of the Queensland Central Highlands and the Northern Fitzroy Basin and Brigalow listed threatened ecological communities.</p> <p>c. clearly identified benchmarks to be achieved by management actions. The time in years to achieve these benchmarks must be used (in the "Time until ecological benefit" field of the Department's Offsets Assessment Guide) to calculate the size of offsets. The benchmarks for success of these actions for Natural Grasslands of the Queensland Central Highlands and the Northern Fitzroy Basin must include:</p> <p>i. a reduction of foreign perennial weeds in offset areas to below 5%;</p> <p>ii. presence of at least 4 species of indicator native grasses</p> <p>iii. an average of 10,800 tussocks per hectare</p> <p>The benchmarks for success of these actions for Brigalow listed threatened ecological communities must be aligned or improve upon benchmarks listed in the relevant Queensland Government BioCondition Benchmarks.</p>		

Table 1 South Walker Creek Mine – Kemmis 2 EBPC 2013-7025 Compliance Report

Condition Number	Condition	Compliant/ Non Compliant/ Not Applicable	Evidence/Comments
	<p>iii. timing of management activity for each area; iv. performance criteria for each offset area; v. a monitoring plan to assess the success of the management activities measured against the baseline condition. The monitoring must be statistically robust and able to quantify change in the condition of the Natural Grasslands of the Queensland Central Highlands and the Northern Fitzroy Basin and Brigalow listed threatened ecological communities. This should include, but not be limited to, control sites and periodic ecological surveys to be undertaken by a qualified ecologist; vi. a description of the potential risks to successful management against the performance criteria, and a description of the contingency measures that would be implemented to mitigate these risks; vii. a process to report to the Department, the progress of management activities undertaken in the offset areas and the outcome of those activities, including identifying any need for improved management and activities to undertake such improvement; and viii. details of the various parties responsible for management, monitoring and implementing the management activities including their position or status as a separate contractor. d) a completed Offsets Assessment Guide for the proposed offset site and a discussion as to how figures used to complete the Offsets Assessment Guide were derived.</p>		

Table 1 South Walker Creek Mine – Kemmis 2 EBPC 2013-7025 Compliance Report

Condition Number	Condition	Compliant/ Non Compliant/ Not Applicable	Evidence/Comments
6	The approval holder must, within 2 years of commencement of construction (or as required under relevant Queensland legislation, whichever is earlier), register a legally binding conservation mechanism over the offset areas. The conservation mechanism must provide protection for the MNES within the offset area for the life of this approval and be approved by the Minister in the Offset Management Plan, described in conditions 3-5.	Compliant	A Voluntary Declaration for Lot 2 SP214117 was entered into on the 20 th of October 2015 for Dabin Holdings.
7	Within 14 days after the commencement of construction, the approval holder must advise the Department in writing of the actual date of commencement of construction.	Compliant	Written notification was provided to the Department on 23 rd November 2016. The notification advised the Department that construction works, which constitute the 'Commencement of Construction' as defined by the approval, commenced on the 16 th of November on site.
8	Within 3 months of every 12 months anniversary of the commencement of construction the approval holder must publish a report on their website addressing compliance with each of the conditions of this approval, including implementation of any plans as specified in the conditions. This report must remain published for the life of this approval. Documentary evidence providing proof of the date of publication and non-compliance with any of the conditions of this	Compliant	This report addresses this condition in terms of delivering the report within 3 months of the 12 month anniversary of commencement of construction. This annual compliance report will be published on the BHP Billiton website and evidence will be submitted to the Department.

Table 1 South Walker Creek Mine – Kemmis 2 EBPC 2013-7025 Compliance Report

Condition Number	Condition	Compliant/ Non Compliant/ Not Applicable	Evidence/Comments
	approval must be provided to the Department at the same time as the compliance report is published. The approval holder must also notify any non-compliance with this approval to the Department in writing within 2 business days of becoming aware of the non-compliance.		
9	Upon the direction of the Minister, the approval holder must ensure that an independent audit of compliance with the conditions of approval is conducted and a report submitted to the Minister. The independent auditor must be approved by the Minister prior to the commencement of the audit. Audit criteria must be agreed to by the Minister and the audit report must address the criteria to the satisfaction of the Minister.	Not applicable	The Minister has not requested BMC to conduct an independent audit of compliance with the conditions of approval.
10	If the approval holder wishes to carry out any activity otherwise than in accordance with the plans, as specified in the conditions, the approval holder must submit to the Department for the Minister's written approval a revised version of that plan. The varied activity shall not commence until the Minister has approved the revised plan in writing. The Minister will not approve a revised plan, unless the revised plan would result in an equivalent or improved environmental outcome. If the Minister approves the revised plan that plan must be implemented in place of the plan originally approved.	Not applicable	All activities being carried out are in accordance with the approved management plans.
11	If the Minister believes that it is necessary or convenient for the better protection of listed threatened species and communities or listed migratory species to do so, the Minister may request that the approval holder make specified revisions to the management plan specified in the conditions and submit the revised plan for the Minister's written approval. The approval holder must comply with any such request. The revised approved plan must be implemented. Unless the Minister has approved the revised plan then the approval holder must continue	Not applicable	No revisions were requested by the Minister during submission of the management plans.

Table 1 South Walker Creek Mine – Kemmis 2 EBPC 2013-7025 Compliance Report

Condition Number	Condition	Compliant/ Non Compliant/ Not Applicable	Evidence/Comments
	to implement the originally approved plan, as specified in the conditions		
12	If, at any time after 5 years from the date of this approval, the approval holder has not substantially commenced the action, then the approval holder the action must not substantially commence the action without the written agreement of the Minister.	Compliant	Construction works commenced on site on the 16 th of November 2016. A letter was issued to the Department confirming the 'Commencement of Construction' as defined by the approval.
13	The approval holder must maintain accurate records substantiating all activities and outcomes associated with or relevant to the above conditions of approval, including measures taken to implement the management plans required by this approval, and make them available upon request to the Department. Such records may be subject to audit by the Department or an independent auditor in accordance with section 458 of the EPBC Act, or used to verify compliance with the conditions of approval. Summaries of audits will be posted on the Department's website. The results of audits may also be publicised through the general media.	Compliant	BMC has records substantiating all activities associated with or relevant to the conditions of approval.
14	Unless otherwise agreed to in writing by the Minister, the approval holder must publish all management plans referred to in these conditions of approval on their website. Each management plan must be published on the website within 1 month of being approved and remain published for the life of this approval.	Compliant	The <u>Offset Area Management Plan for Kemmis II Project and Mulgrave Resource Access Project</u> is on BHP's website.

Table 2 Biodiversity Offset Management Plan for Kemmis II Project and Mulgrave Resource Access Project (BHP, 2015) management actions
Brigalow

No	Aspect	Commitment	Compliant/Non-compliant/Not applicable	Evidence/ Comments
1	Limiting disturbance	<p>Disturbance to vegetation within the offset is not permitted, except for maintenance of vegetation for:</p> <ul style="list-style-type: none"> existing roads, firebreaks, easements and fencing. <p>New firebreaks or fencing if required should be installed outside of the perimeter of the Brigalow community.</p> <p>Thinning of Brigalow to manage dense Brigalow regrowth (to promote rapid recovery of stunted Brigalow stands) may occur where canopy is >70%, stem count is >10,000 / ha, and recommended by a qualified ecologist</p> <p>Ground disturbance (i.e ploughing) is not permitted.</p> <p>Removal of groundcover and organic litter is not permitted.</p> <p>Vehicle and machinery movement through the offset area is to be minimised.</p> <p>Deliberate introduction of non-endemic species is not permitted.</p> <p>The use of fertilisers on the property at locations where it could move into the offset area is to be avoided.</p>	Compliant	No disturbance to vegetation within the offset was undertaken during the reporting year.
2	Grazing	<p>The Landowner may graze stock in the Brigalow area in the following manner:</p> <ul style="list-style-type: none"> to occur primarily for the purpose of minimising the fuel load and risk of hot fire burn. stock are to be carried at similar stocking densities to that historically carried on the property, however the duration of grazing within the Brigalow areas is to be reduced commensurate with fuel load present, such that grazing may be more intense if the Brigalow stem count exceeds 10,000/ha. grazing intensity should be reduced during the wet season. cattle should not be moved into the Brigalow area if they have come from a grazing area known to contain weed species that are seeding, until the fodder has passed through their systems. stock will be excluded from the Brigalow offset area during periods of drought. The presence and abundance of native herbivores will be noted by the land manager and if abundance is deemed to be excessive then the landowner will encourage those species to move to other non-offset areas via noise, human activity or other nuisances. 	Compliant	<p>To manage fire loads cattle were grazed in the offset area from February through to November 2018. There were 50 steers at the end of November.</p> <p>The annual inspection in April and the quarterly lessee inspections noted that there was a good level of grass cover maintained across the offset area.</p> <p>Cattle was grazed as per the OAMP requirements.</p>

Table 2 Biodiversity Offset Management Plan for Kemmis II Project and Mulgrave Resource Access Project (BHP, 2015) management actions
Brigalow

No	Aspect	Commitment	Compliant/Non-compliant/Not applicable	Evidence/ Comments
3	Weeds	<p>An initial weed spraying program will occur within the first 6 months of offset establishment. This will specifically target any small populations of Buffel grass or Parthenium that may be present.</p> <p>Thereafter the Landowner will undertake regular assessments for weed development. Should any weeds become established then additional weed control will be undertaken as early as practicable considering climatic conditions.</p> <p>The presence of foreign perennial weeds will be kept below 5% ground cover.</p> <p>Cattle should not be moved into the Brigalow area if they have come from a grazing area known to contain weed species that are seeding, until the fodder has passed through their systems.</p>	Compliant	<p>Weed spraying was undertaken during April 2018. A heavy buffel infestation along an internal boundary fence/access track was treated as it was within the brigalow offset area. Additionally, areas of the remnant brigalow offset were treated and the areas within the regrowth brigalow offset areas were inspected and marked by the spray team.</p> <p>The treated areas will be monitored to note any increase in parthenium, which will then be treated, and to assess if native grasses recolonise the treated areas.</p> <p>Weed spraying will continue as required, following routine inspections of the property.</p>
4	Pests	<p>Wild pigs pose the greatest risk to the improvement of the Brigalow offset area.</p> <p>Should the presence of pigs be noticed during the quarterly checklist, a pig eradication program shall be implemented within the Offset Area in accordance with the Land Protection (Pest and Stock Route Management) Act 2002. A similar program could be implemented if other pest animals become a noticeable problem.</p> <p>Where possible, native pest animals should be encouraged to move outside of the offset area through disturbance and nuisance activities such as noise and human presence.</p> <p>Anecdotal evidence (eg photos, written records) of pest animal presence and abundance should be collected.</p>	Compliant	No incidences of wild pigs have been recorded to date.
5	Fire	<p>Maintenance of appropriate controls to enhance biodiversity and reduce fuel loads. The occurrence of any fire in the offset area will be recorded.</p> <p>Biocondition assessments will make a determination of impact resulting from any fire.</p> <p>Allow the accumulation of fallen timber/debris and the establishment of natural undergrowth. Biocondition Assessments will be used to measure this.</p>	Compliant	<p>Firebreaks around this and other offset areas on the property are co-located with access tracks and boundary and internal fencing lines.</p> <p>The firebreaks were established in 2016 on the recommendations of the local Rural Fire Service Brigade Warden.</p> <p>The land manager (lessee) will complete firebreak maintenance once access is available post wet season.</p>

Table 3 Biodiversity Offset Management Plan for Kemmis II Project and Mulgrave Resource Access Project (BHP, 2015) management actions
Natural Grassland Offset

No	Aspect	Commitment	Compliant/Non-compliant/Not applicable	Evidence/ Comments
6	Grazing	<p>The Landowner may graze stock in the grassland offset area in the following manner:</p> <ul style="list-style-type: none"> • focus on maintaining a good cover of perennial grasses and legumes and encourage regrowth of TEC indicator species. • Maintain a minimum of 50% ground cover at the end of the dry season. • grazing should be avoided during peak flowering and seed set period (Oct – Dec inclusive). • cattle should not be moved into the Grassland area if they have come from a grazing area known to contain weed species that are seeding, until the fodder has passed through their systems. • Stock will be excluded from the Grassland offset area during periods of drought. <p>Existing fencing will be maintained to enable stock management in the grassland offset area.</p> <p>Any new water points are to be located outside the offset area where possible. Relocation of existing water points will be investigated if these are considered to have an impact upon community recovery.</p> <p>The grazing regime is to be carried out for the life of the Offset Area Management Plan.</p>	Compliant	Refer to Commitment 2 in Table 2 above.
7	Weeds	<p>An initial weed spraying program will occur within the first 6 months of offset establishment with a secondary follow up to occur prior to any regrowth allowed to set seed.</p> <p>Thereafter the Landowner will undertake regular assessments for weed infestations as part of the routine quarterly checklist. If the presence of foreign perennial weeds exceeds 5% ground cover, then:</p> <ul style="list-style-type: none"> • Subsequent herbicide spraying programs will be performed at intervals suited to regrowth of Buffel grass and seasonal timing and conditions pending the findings of the regular inspections. <p>Should the Buffel grass persist, additional targeted herbicide spraying will occur as soon as reasonably practicable until such point as the natural grassland species are able to outcompete the Buffel grass.</p> <p>If it becomes apparent that a large seed bank is present then the land manager may choose to plough the soil (only in the areas of Buffel grass) to promote germination so that herbicides are more effective longer term.</p> <p>Grazing in accordance with the regime described above will encourage selective consumption of Buffel grass above other grass</p>	Compliant	Refer to Commitment 3 in Table 2 above.

Table 3 Biodiversity Offset Management Plan for Kemmis II Project and Mulgrave Resource Access Project (BHP, 2015) management actions
Natural Grassland Offset

No	Aspect	Commitment	Compliant/Non-compliant/Not applicable	Evidence/ Comments
		<p>species. As such grazing should also be used as a tool to manage weeds.</p> <p>Cattle should not be moved into the Grassland area if they have come from a grazing area known to contain weed species that are seeding, until the fodder has passed through their systems.</p> <p>The land manager will be responsible for removing any new weed species that may occur within 6 months of first being recorded.</p>		
8	Pests	<p>Native herbivores may pose a risk to the improvement of the Grassland offset area should they reach plague proportions. Control of pest animals within the Offset Area shall be undertaken in accordance with the Land Protection (Pest and Stock Route Management) Act 2002.</p> <p>When required, pest animals should be encouraged to move outside of the offset area through disturbance and nuisance activities such as noise and human presence.</p> <p>Anecdotal evidence (eg photos, written records) of pest animal presence and abundance should be collected.</p>	Compliant	Routine inspections for pests are carried out by the land manager.
9	Limiting disturbance	<p>Disturbance of the vegetation and soil in the offset area is to be limited to that necessary to encourage improvement in condition and extent for the duration of the offset. This will be achieved by:</p> <ul style="list-style-type: none"> • No further ground disturbance or clearing of the vegetation (i.e ploughing) except : <ul style="list-style-type: none"> o for maintenance of existing fire breaks and fencing o in areas of Buffel grass infestation where turning of the soil may assist in weed management by speeding up seed germination to then be eradicated. o for maintenance for existing roads and easements • Avoidance of pasture improvement activities • Minimisation of vehicle and machinery movement through the community • New firebreaks and fences may be installed provided that the new construction does not reduce the extent of the Grassland offset. • No deliberate introduction of non-endemic species • No use of fertiliser at locations where it could move into the offset area 	Compliant	Refer to Commitment 1 in Table 2 above.

Table 3 Biodiversity Offset Management Plan for Kemmis II Project and Mulgrave Resource Access Project (BHP, 2015) management actions
Natural Grassland Offset

No	Aspect	Commitment	Compliant/Non-compliant/Not applicable	Evidence/ Comments
10	Fire	To the extent practicable, fire is to be excluded from the Grassland TEC Offset Area, except for ecological burns. A low intensity fire may be permitted at intervals recommended by a qualified ecologist. Within 12 months from the date of this Offset Area Management Plan coming into effect a member of the Rural Fire Service Brigade (RFSB) inspect the offset area to assess the suitability of the current and proposed firebreaks. Any recommendation for improvement will be implemented within 6 months from receipt of those recommendations, provided they do not contradict this OAMP. Stock may be grazed in the Offset Area to assist in fuel reduction.	Compliant	Refer to Commitment 5 in Table 2 above.