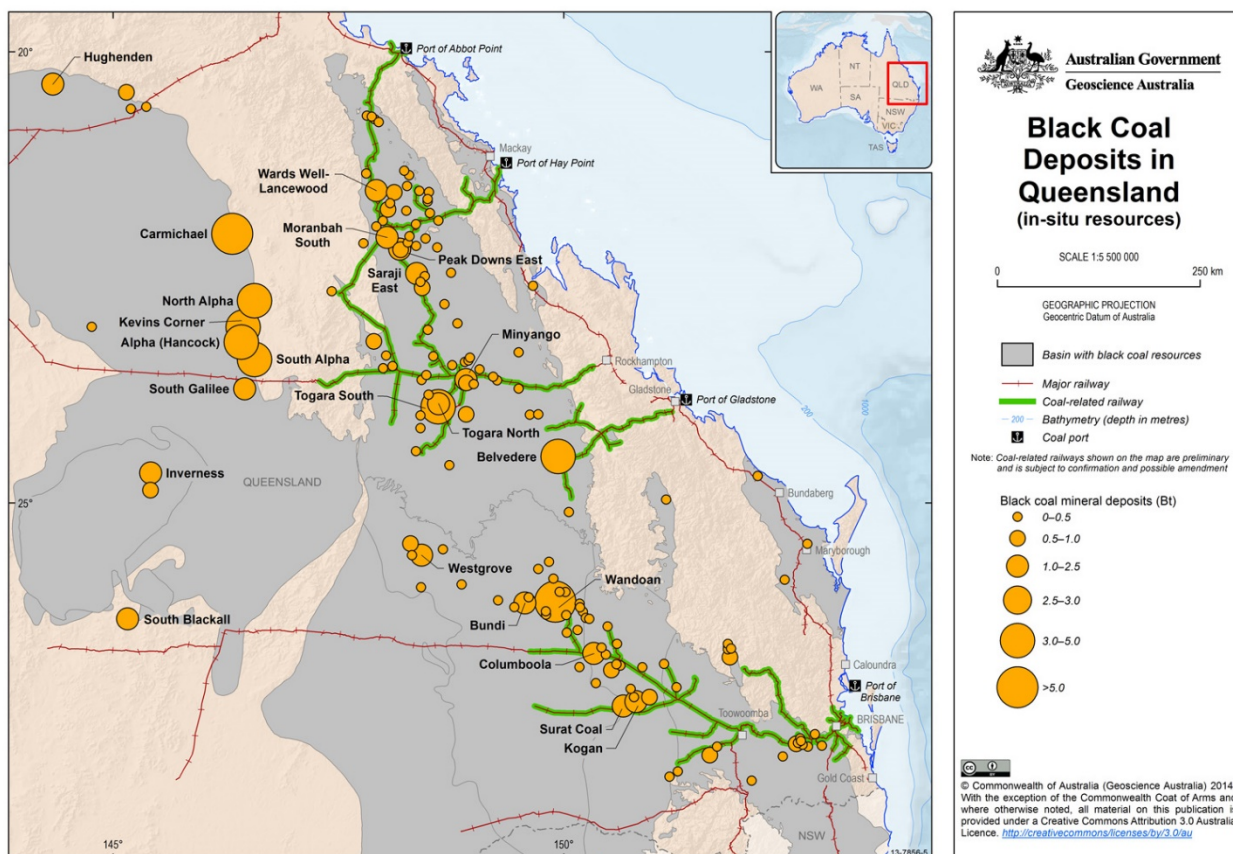


BIODIVERSITY OFFSET CASE STUDY

LOCATION: Bowen Basin, Central Queensland, Australia

DATED: November 2015



While some details are withheld, this case study involves a suite of parties including three mining companies (Companies A, B and C), a number of other companies, the local Indigenous Shire Council and, relevant Australian and Queensland Government departments.

An initial analysis of the Indigenous Council's rural properties (farms/ranches) for potential offset provision and discussions with the Aboriginal Council began in June 2013 and were facilitated by the Queensland Department of Aboriginal and Torres Strait Islander Partnerships.

Local Indigenous Shire Council Enters into Offset Arrangement with Mining Company

Throughout a 12-month period, extensive consultation with the local Indigenous community occurred, including detailed discussions on management requirements, timeframes, economic arrangements and legal structures should an offset be possible. In July 2014, a *Letter of Intent* was entered into between Company A and the local Indigenous community, outlining access protocols, the offsets process and anticipated management actions that would be required should approval of offset package be given by the regulators. The letter also outlined initial pricing for the offset if the offset process proceeded.

Subsequently, both parties signed a *Letter of Access* in October 2014, with negotiations on a **Call Option** and **Offset Deed** commencing in November. Simultaneously, **ecological studies** were conducted throughout September 2014 and during January 2015. By April 2015, a draft submission of the offset package was provided to the Commonwealth Department of Environment, (DoE) and Queensland Department of Environment and Heritage Protection (DEHP) for the offset proposal for Company A. Feedback on the draft was incorporated and a final submission made to DoE in May. Approval of the offset by DoE occurred on 30 June 2015, and the signed Offset Agreement (from DEHP), on 11 August 2015.



Figure 1: Ornamental Snake, Squatter Pigeons & the South Eastern Long-Eared Bat

Company B also identified the need for offset for the same listed species (see *Figure 1*) as Company A and in March 2015 (while the negotiations for Company A were still underway), an Offset Deed and Offset Area Management Plan was also negotiated between Company B and the Aboriginal Council. Notably, while for the same listed species and on the same parcel of land (see *Figure 4*), the Conditions of Approval were different as was the detail of the Offset Area Management Plan. DoE provided approval of this second offset on 30 June 2015. Company C started negotiations (same process) in November 2014 and all offsets were also completed in the same period.

Company A propose to expand an open cut coal mine in Central Queensland, Australia (see *Figure 2*). The project was referred to the Department of Environment and the department subsequently granted Company A the Final Approval for impacts to threatened ecological communities and protected species in December 2014. This Approval allows for the impacts to Listed Threatened Species and communities (sections 18 and 18A) of the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act).



Figure 2: Central Queensland, Australian Coal Mine Operation

These impacts will be offset as per the Offsets Policy and the offset sites, management actions, monitoring and reporting actions are detailed in the Offset Delivery which contains the pectinate information required by DoE to assess the offset against the policy and the Conditions imposed on the Project. The management plan for the offset area is tied to the respective properties Titles via a Legally Binding Mechanism on the Title. The legally binding mechanism and management plan are to be read in conjunction with the Offset Delivery Plan and are legal element of that plan. These Schedules may not be removed, from the Offset Delivery Plan or updated without the prior approval of the Minister. In this instance, Minister refers to the Minister for the Department of the Environment, its successors or assigns.



Figure 3: Brigalow Threatened Ecological Community (TEC)

This area will also rehabilitate to habitat for Ornamental snake, Squatter pigeon, and South-eastern long-eared bat. Squatter pigeon and South-eastern long-eared bat were observed and/or recorded during field verification studies of the property undertaken in October 2014. It was noted at this time that there is habitat for the ornamental snake, which would be collocated with the Brigalow TEC due to the presence of deep cracking soils and gilgai formations. However, the presence of the species was not verified at this time due to the dry conditions. Subsequent field verification was undertaken in January 2015 during the wet season and positively verified the presence of both juvenile and adult ornamental snakes as well as 13 species of frog on which the snake preys.

The 400ha EPBC offset will be located is the same property on which the offset for impacts to *Solanum elaeagnifolium* and *Solanum johnsonianum* under the *Nature Conservation Act (Qld) 1992* are to be located.

The offset area has Brigalow Threatened Ecological Community (TEC) patches already established (see Figure 3) and substantial areas of Brigalow regrowth (see Figure 4).



Figure 4: Substantial areas of Brigalow regrowth

Companies B impacted Ornamental Snake as part of an expansion of a coal mining pit and Company C impacted the brigalows TEC during the construction of a powerline. Both these impacts were able to be secured on the indigenous council's land in addition to Company A.

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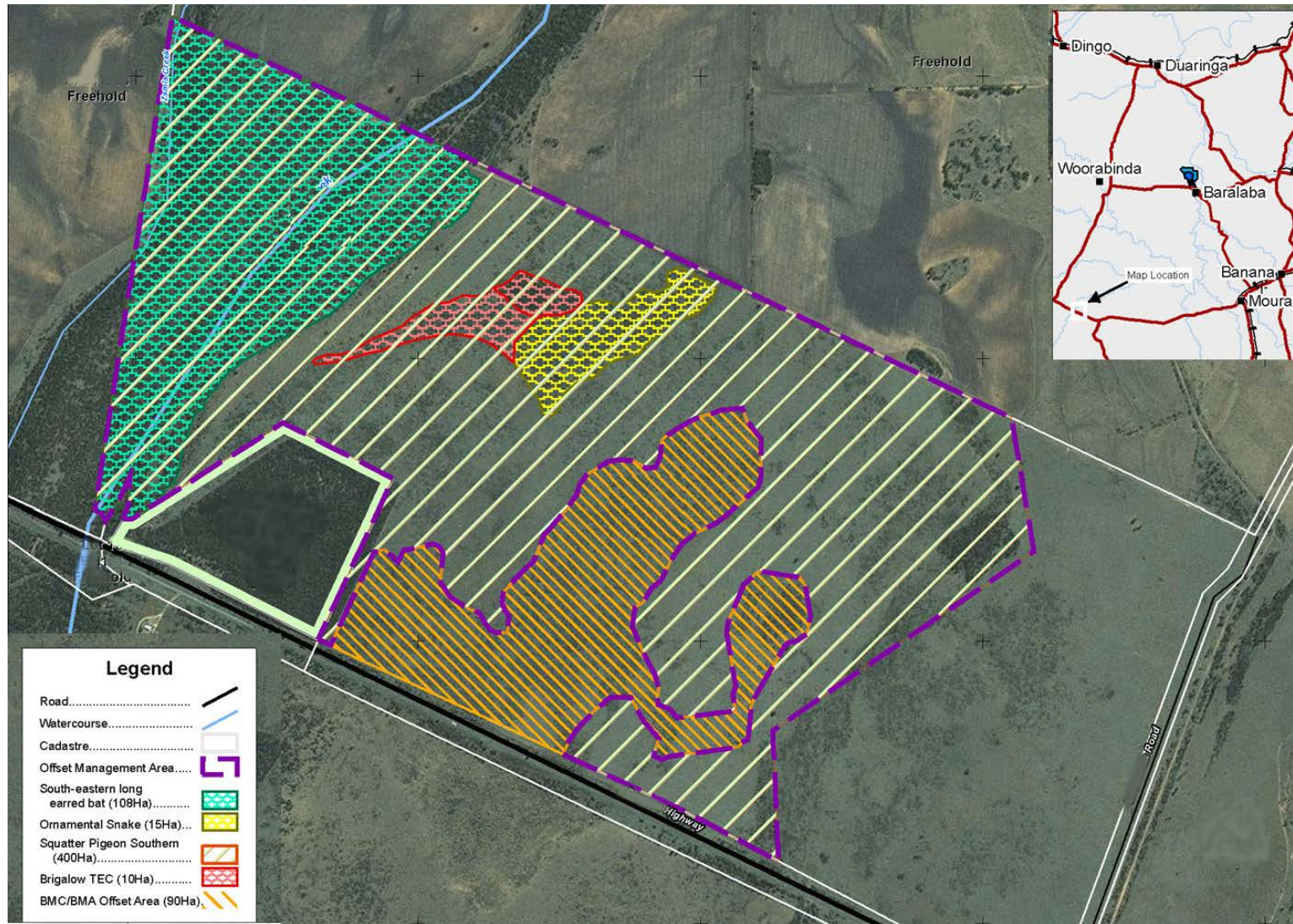


Figure 5: Bowen Basin case study - offset area map