



**PROJECT SEA DRAGON
STAGE 1 LEGUNE GROW-OUT FACILITY
EPBC 2015/7527**

**ANNUAL COMPLIANCE REPORT
2018 - 2019**

PROJECT AND DOCUMENT DETAILS

Proponent:	Project Sea Dragon Pty Ltd ACN: 604 936 192
Project Title:	Project Sea Dragon Stage 1 Legume Grow-out Facility
EPBC Act Referral:	EPBC 2015/7527
Location:	Legume Station, Northern Territory NT Portion 798 and Portion 3222
Report Title:	Annual Compliance Report

DOCUMENT CONTROL

Revision	Description	Author/Amended by	Date
0	Final	Meghan Farr/Kate McBean	26 September 2019

DOCUMENT AUTHORISATION

Approved by	Position	Date	Signature
Rod Dyer	Project Director	23/10/2019	

DECLARATION OF ACCURACY

In making this declaration, I am aware that sections 490 and 491 of the *Environment Protection and Biodiversity Conservation Act 1999* (Cth) (EPBC Act) make it an offence in certain circumstances to knowingly provide false or misleading information or documents. The offence is punishable on conviction by imprisonment or a fine, or both. I declare that all the information and documentation supporting this compliance report is true and correct in every particular. I am authorised to bind the approval holder to this declaration and that I have no knowledge of that authorisation being revoked at the time of making this declaration.

Signed	
Full Name	Rod Dyer
Position	Project Director
Organisation	Project Sea Dragon Pty Ltd
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Date	23/10/2019

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ABBREVIATIONS AND ACRONYMS

Abbreviation	Name, Term or Expression
EPBC Act	<i>Environment Protection and Biodiversity Conservation Act 1999</i>
PSD	Project Sea Dragon Pty Ltd
the Project	Stage 1 Legume Grow-out Facility
Reporting Period	The reporting period for this compliance report (i.e. 26 September 2018 to 25 September 2019)
SAG	Scientific Advisory Group
WBMIMP	Waterbird Monitoring and Impact Mitigation Program
WQMMP	Water Quality Monitoring and Management Plan

1 INTRODUCTION

On 10 May 2017, Project Sea Dragon Pty Ltd (PSD) was issued approval under the Australian Government *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act) for the Project Sea Dragon Stage 1 Legune Grow-out Facility (the Project) (Reference No. EPBC 2015/7527). Project Sea Dragon is a large-scale, integrated, land-based prawn aquaculture project to be developed in northern Australia. It has been designed to produce high-quality, year-round reliable volumes for export markets for black tiger prawns (*Penaeus monodon*).

The Stage 1 Legune Grow-out Facility is located on Legune Station, an operating pastoral lease situated approximately 106 km north-east of Kununurra on the western border of the Northern Territory. It involves the construction and operation of three prawn grow-out farms, which include 1,120 ha of grow-out ponds, as well as associated water supply and discharge infrastructure. Legune Station will also support ancillary infrastructure needed to support the farms, including accommodation facilities, a power station, trades workshops and laboratories.

As advised in a letter to the Department of Environment and Energy on 9 October 2018, early construction works for the Project commenced on 26 September 2018. Condition 12 of the EPBC Act approval for the Project requires that:

Within three months of every 12 month anniversary of the commencement of the action, the person taking the action must publish a report on their website addressing compliance with each of the conditions of this approval, including implementation of any management plans as specified in the conditions. 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.

In accordance with Condition 12, this Annual Compliance Report documents compliance with the conditions of the EPBC Act approval for the period 26 September 2018 to 25 September 2019 (reporting period). It has been published on the PSD website.

2 REPORTING PERIOD ACTIVITIES

During the reporting period early construction works for the Stage 1 Legune Grow-out Facility were undertaken at the locations illustrated in Figure 1. These works commenced on the 26 September 2018 and were completed in late 2018. Reporting period activities involved:

- Extraction of material from Forsyth Creek quarry. Various sizes of rock were quarried, graded and stockpiled to ensure material is available for the first bulk earthworks contracts (Plate 1).
- Construction of an access road to the proposed grow-out ponds. The access road was built to enable access to lower lying areas earlier in the dry season (Plate 2).

Following the completion of the early works program no further construction activities were undertaken at Legune Station during the reporting period.

Construction of the Stage 1 Legune Grow-out Facility is scheduled to recommence once Financial Close and Final Investment Decision has been achieved for the Project.



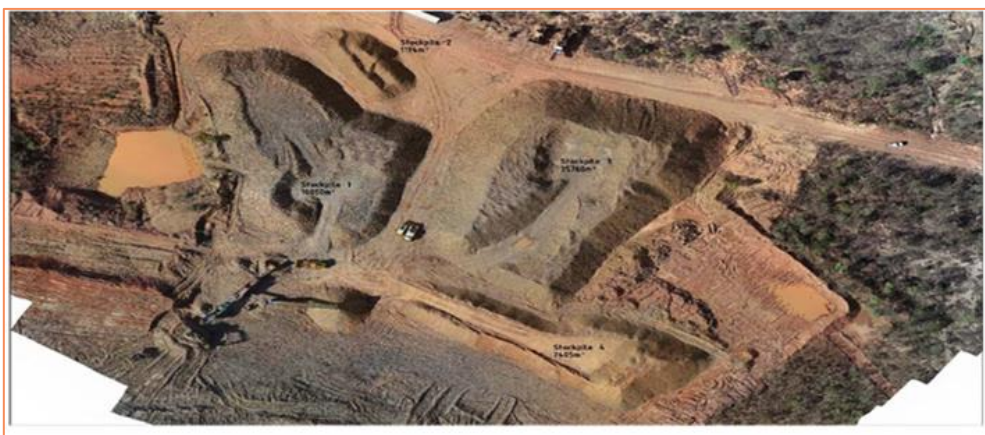


PLATE 1 STOCKPILES OF QUARRIED MATERIAL



PLATE 2 ACCESS ROAD

3 COMPLIANCE WITH CONDITIONS OF APPROVAL

For each condition of the EPBC Act Approval (EPBC 2015/7527) Table 1 indicates compliance through the application of the following criteria:

- **Compliant** - is where the requirements of a condition have been met.
- **Non-compliant** - where the requirements of the condition have not been met
- **Not Applicable** - where the requirements of a condition or elements of the condition fall outside the scope of the current reporting period. For example when a condition which applies to an activity not yet commenced.

Where required, additional evidence is provided to demonstrate compliance with the condition.

As outlined in Table 1:

- Seven of the conditions were classified as 'Compliant' during the reporting period.
- No 'Non-Compliances' were recorded during the reporting period.
- Nine of the conditions were found to be 'Not Applicable' during the reporting period.

TABLE 1 COMPLIANCE WITH THE CONDITIONS OF EPBC ACT APPROVAL (EPBC 2015/7527)

Condition Number/Reference	Condition	Compliance with Condition	Evidence/Comments
1	<p>To protect habitat for listed threatened and migratory species, wastewater discharges to Alligator Creek as a result of the action:</p> <ul style="list-style-type: none"> a. must not exceed the mean and maximum limits for the following wastewater quality parameters: <ul style="list-style-type: none"> ▣ Total nitrogen (mg/L) Mean = 0.8; Max = 3.0 ▣ Total phosphorus (mg/L) Mean = 0.1; Max = 0.3 ▣ Total suspended solids Mean = 20; Max = 100 b. must be restricted to an annual average daily discharge rate of less than 420 ML/day c. must only occur from one hour prior to the Alligator Creek ebb tide and cease 5.5 hours before the Alligator Creek ebb tide ends. 	Not applicable	As the Project is only in early stages of construction, no operational discharges occurred during the reporting period.
2	<p>To protect habitat for listed threatened and migratory species, the person taking the action must develop a Water Quality Monitoring and Management Program (WQMMP). The WQMMP must be prepared in consultation with an appropriately-qualified independent scientific expert whose appointment has been approved in writing by the Minister. The WQMMP must be approved by the Minister and implemented a minimum of 12 months prior to the discharge of any wastewater.</p> <p>The WQMMP must:</p> <ul style="list-style-type: none"> a. explain how the WQMMP will protect the receiving environment from wastewater discharges, including the functional relationship between monitoring objectives, activities and operational decisions b. define the chemical, physical and biological parameters to be monitored in the receiving environment, including during the minimum 12 month period of baseline water quality monitoring, and justify the parameters to be monitored c. modify and/or confirm the wastewater quality parameter limits in condition 1(a) and the wastewater release regime in condition 1(c) d. include a methodology to: <ul style="list-style-type: none"> i. monitor water quality parameters in condition 1(a) during both baseline data collection and operations and measure discharge volumes in condition 1(b) ii. develop site-specific water quality objectives and seasonal trigger values for water quality parameters identified in condition 1(a) and 2(b) iii. modify and/or confirm the wastewater quality parameter limits specified in condition 1(a) are appropriate relative to the trigger values developed under condition 2(d)(ii) iv. modify and/or confirm the wastewater release regime specified in condition 1(c) in accordance with the Guidelines for Fresh and Marine Water Quality e. include a data handling program and commitments to technical review and evaluation of the WQMMP f. identify and manage the risks of the WQMMP failing to achieve its objectives g. describe contingency responses where management triggers are exceeded, and effective corrective actions which may be implemented. <p>When the person taking the action submits the WQMMP to the Minister for approval, they must also provide a copy of the advice of the independent scientific expert on the WQMMP. The approved WQMMP must be implemented.</p>	Compliant	<p>The Project Sea Dragon Stage 1 Legume Grow-out Facility Water Quality Monitoring and Management Plan (WQMMP) was prepared to address Condition 2 of the EPBC Act Approval. The plan was reviewed by an independent scientific expert, Dr Darren Richardson, whose appointment was approved in writing by the Minister on the 5 July 2017.</p> <p>The WQMMP was approved by the Minister on the 2 July 2019. The Minister confirmed that the WQMMP met the requirements of Condition 2 of the approval.</p> <p>The approved WQMMP is available on Project Sea Dragon's website:</p> <p>https://seafarms.com.au/wp-content/uploads/2019/07/EN01-MN4201_3.0-Legume-WQMMP_r.pdf</p> <p>Discharges of wastewater from the Project are not anticipated to occur until Q4 2021. Despite this, implementation of the baseline water quality monitoring program (Appendix A - Table A2 of the WQMMP) is anticipated to re-commence in Q4 2019.</p>

Condition Number/Reference	Condition	Compliance with Condition	Evidence/Comments
3	<p>The person taking action must appoint, support and maintain a Scientific Advisory Group (SAG) to advise on matters relating to listed threatened and migratory waterbirds potentially impacted by the proposed action.</p> <p>Terms of reference for the SAG, which must include roles and responsibilities, membership (including an independent chair), timeframe for commencement, frequency of proposed meetings and quorum arrangements, must be developed by the person taking the action and submitted to the Minister in writing within two months of the date of this approval.</p> <p>The Minister may seek advice from the SAG at any time.</p>	Compliant	<p>A Terms of Reference for the Scientific Advisory Group (SAG) was developed and submitted to the Minister on the 2 June 2017.</p> <p>The Department of Environment and Energy confirmed via email on 5 June 2017 that the Terms of Reference were received within two months of the approval decision and that they satisfied the requirements of Condition 3.</p> <p>The SAG will be appointed to advise on the development and implementation of the Waterbird Monitoring and Impact Mitigation Program in accordance with Condition 4 of the EPBC Act approval.</p>
4	<p>The person taking the action must develop and implement a Waterbird Monitoring and Impact Mitigation Program (WBMIMP). The WBMIMP must be designed to monitor impacts to listed threatened and/or migratory waterbirds:</p> <ul style="list-style-type: none"> a. from the time flows to wetlands from Forsyth Creek Dam are altered as a result of the proposed action b. including bird predation management measures to non-predator waterbird species, including human disturbance and the operation of drones and helicopters c. including any additional information as the SAG sees fit within the scope of the terms of reference. <p>The WBMIMP must:</p> <ul style="list-style-type: none"> a. monitor changes in waterbird composition, abundance and habitat usage b. apply limits of acceptable change to waterbird usage of freshwater wetlands c. allow for an adaptive management response in the event that exceedances of limits of acceptable change are observed. <p>The person taking the action must seek advice from the SAG on: formulating and drafting the WBMIMP; and any revisions proposed to the approved WBMIMP, and the person taking the action must include all comments and recommendations provided by members of the SAG with the draft submitted for initial approval and that are relevant to any revision to the WBMIMP sought under condition 14.</p> <p>The SAG must be invited to assess and provide advice on any exceedances of the limits of acceptable change, and on response action taken by the person taking the action. The person taking the action must consider the advice of the SAG in determining whether further action is needed. Details on exceedances of limits of acceptable change, all comments provided by members of the SAG and any additional response action taken as a result of the advice of the SAG must be included in the annual compliance report (condition 12).</p> <p>The WBMIMP must be submitted to and approved by the Minister prior to the alteration of flows from Forsyth Creek Dam. The approved WBMIMP must be implemented.</p>	Not applicable	<p>The Project is in the early stages of construction and flows from Forsyth Creek were not altered as a result of the proposed action during the reporting period.</p>
5	<p>To minimise noise impacts to nesting flatback turtles (<i>Natator depressus</i>), the person taking the action must implement the following measures during impact piling activities:</p> <ul style="list-style-type: none"> a. pre-start-up visual observations: visual observations for marine turtles must be undertaken to the extent of the piling observation zone by a suitably trained individual for at least 30 minutes before the commencement of piling activities b. operating procedures: while piling is undertaken, the following procedures must be implemented: <ul style="list-style-type: none"> i. visual observations of a 600 metre radius from the pile hammer must be maintained continuously to detect the presence of marine turtles 	Not applicable	<p>The Project is in the early stages of construction and impact piling works did not commence during the reporting period.</p>

Condition Number/Reference	Condition	Compliance with Condition	Evidence/Comments
	<ul style="list-style-type: none"> ii. the exclusion zone must be no less than a 500 metre radius for marine turtles iii. if marine turtles are sighted within the exclusion zone, piling activities within the exclusion zone must cease within 2 minutes or as soon as safely possible iv. piling activities must not recommence until marine turtles are observed to move outside the exclusion zone or 30 minutes have passed since the last sighting v. soft 'fairy taps' start procedures: piling activities must be initiated at the soft 'fairy taps' start level and then build up to full operating impact force. The soft 'fairy taps' start procedures may only commence if no marine turtles have been sighted within the relevant exclusion zone during the pre-start-up visual observations. 		
6	<p>To minimise light pollution impacts to nesting flatback turtles (<i>Natador depressus</i>) and hatchlings, the person taking the action must, subject to minimum requirements for safety purposes, restrict artificial lighting by:</p> <ul style="list-style-type: none"> a. using lights of a wavelength to which flatback turtle hatchlings are not sensitive b. ensuring lighting is directed away from Turtle Point and reflective materials c. mounting lights as low as practicable d. using timer and motion sensors to run off lights when not in use. 	Not applicable	The Project is in the early stages of construction. No artificial lighting was installed as part of the early works program during the reporting period.
7	<p>To protect dwarf sawfish (<i>Pristis clavata</i>) and green sawfish (<i>Pristis zijsron</i>) from impacts resulting from the installation of:</p> <ul style="list-style-type: none"> a. a pumping station adjacent to Forsyth Creek and b. a seawater intake channel extending from Forsyth Creek to the project area with a footprint of 54.64 hectares and c. an effluent discharge outfall structure at Alligator Creek <p>the person taking the action must ensure that no more than 9.3 ha of mangrove forest habitat is cleared (in total) within the area depicted on the map at Attachment A.</p>	Not applicable	<p>The Project is in the early stages of construction. No mangrove habitat was cleared part of the early works program during the reporting period.</p> <p>As illustrated in Figure 1, construction activities did not occur within the vicinity of mangrove forest habitat during the reporting period.</p>
8	<p>To protect listed threatened and migratory sawfish and river shark species from impacts of recreational fishing, the person taking the action must:</p> <ul style="list-style-type: none"> a. provide educational materials to employees about the protected status of sawfish and river shark species b. install signage next to the Alligator Creek and Keep River waterways that promote the protected status of sawfish and river shark species and include identification guides, safe release guidelines and encourage recreational fishers to report any interactions with these species. 	Compliant	<p>The NT Government have developed factsheets for threatened and migratory sawfish and river shark species and these will be included as part of the induction package for employees and contractors to address Condition 8(a).</p> <p>Additionally, signage has been developed during the reporting period to address Condition 8(b) (see Appendix A). The signage will be installed at Alligator Creek and the Keep River prior to the commencement of construction activities in 2020.</p>
9	<p>To protect listed threatened and migratory sawfish and river shark species from entrainment and entrapment, the seawater intake pipe at Forsyth Creek must:</p> <ul style="list-style-type: none"> a. be fitted with a rigid mesh grille with a 100 millimetre aperture b. operate with a maximum velocity of 0.4 m/s. 	Not applicable	The Project is in the early stages of construction and the seawater intake pipe at Forsyth Creek was not constructed during the reporting period.
10	Within 30 days after the commencement of the action, the person taking the action must advise the Department in writing of the actual date of commencement.	Compliant	PSD advised the Department of Environment and Energy in writing on the 9 October 2018 that early works for the Project commenced on the 26 September 2018.
11	The person taking the action must maintain accurate records substantiating all activities associated with or relevant to the conditions of approval, including measures taken to implement the monitoring programs 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	Compliant	During the reporting period Project Sea Dragon maintained accurate records which substantiate the activities associated

Condition Number/Reference	Condition	Compliance with Condition	Evidence/Comments
	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.		with the conditions of the EPBC Act approval. The Department has not requested these records during the reporting period.
12	Within three months of every 12 month anniversary of the commencement of the action, the person taking the action must publish a report on their website addressing compliance with each of the conditions of this approval, including implementation of any management plans as specified in the conditions. 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.	Compliant	This Annual Compliance Report documents compliance with the conditions of the EPBC Act approval for the period 26 September 2018 to 25 September 2019. This report will be provided to Commonwealth Department of the Environment and Energy and published on the Project Sea Dragon website within three months of the 12 month anniversary of the commencement of the action (i.e. prior to 26 December 2019).
13	Upon the direction of the Minister, the person taking the action 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 Director did not request an independent audit of compliance during the reporting period.
14	<p>The person taking the action may choose to revise a plan approved by the Minister under conditions 2 and 4 without submitting it for approval under section 143A of the EPBC Act, if the taking of the action in accordance with the revised plan would not be likely to have a new or increased impact. If the person taking the action makes this choice they must:</p> <ul style="list-style-type: none"> a. notify the Department in writing that the approved plan has been revised and provide the Department, at least four weeks before implementing the revised plan, with: <ul style="list-style-type: none"> i. with an electronic copy of the revised plan; ii. an explanation of the differences between the revised plan and the approved plan; and iii. the reasons the person taking the action considers that the taking of the action in accordance with the revised plan would not be likely to have a new or increased impact. <p>14A. The person taking the action may revoke its choice under condition 14 at any time by giving written notice to the Department. If the person taking the action revokes the choice to implement the revised plan, without approval under section 143A of the EPBC Act, the plan approved by the Minister must be implemented.</p> <p>14B. If the Minister gives a notice to the person taking the action that the Minister is satisfied that the taking of the action in accordance with the revised plan would be likely to have a new or increased impact, then:</p> <ul style="list-style-type: none"> i. condition 14 does not apply, or ceases to apply, in relation to the revised plan; and ii. the person taking the action must implement the plan approved by the Minister. <p>To avoid any doubt, this condition does not affect any operation of conditions 14 and 14A in the period before the day the notice is given. At the time of giving the notice, the Minister may also notify that for a specified period of time condition 14 does not apply for the plan required under the approval. Conditions 14, 14A and 14B are not intended to limit the operation of section 143A of the EPBC Act which allows the person taking the action to submit a revised plan to the Minister for approval.</p> <p>Conditions 14, 14A and 14B are not intended to limit the operation of section 143A of the EPBC Act which allows the person taking the action to submit a revised plan to the Minister for approval.</p>	Not applicable	No revisions were made to approved plans associated with conditions 2 and 4 during the reporting period.
16 ¹	If, at any time after five years from the date of this approval, the person taking the action has not substantially commenced the action, then the person taking the action must not substantially commence the action without the written agreement of the Minister.	Not applicable	The approval was issued on 10 May 2017. This condition is not applicable until 10 May 2022. Subject to Financial Close, Project Sea Dragon intends to substantially commence construction works in the 2020 dry season.



Condition Number/Reference	Condition	Compliance with Condition	Evidence/Comments
17	Unless otherwise agreed to in writing by the Minister, the person taking the action must publish all monitoring programs and reports referred to in these conditions of approval on their website. Each monitoring program and report must be published on their website within 1 month of being approved by the Minister or being submitted under condition 14.	Complaint	<p>The approved WQMMP (required under Condition 2) was published on the Project Sea Dragon website within 1 month of approval:</p> <p>https://seafarms.com.au/wp-content/uploads/2019/07/EN01-MN4201_3.0-Legune-WQMMP_r.pdf</p> <p>The WBMIMP (Condition 4) is yet to be submitted to the Minister for approval and has therefore not been published on the Project Sea Dragon website.</p> <p>This Annual Compliance Report will also be published on the Project Sea Dragon website by 26 December 2019 in accordance with the requirements of Condition 12.</p>

¹ Note that there is no Condition 15 in EPBC 2015/7527

4 SUMMARY

In accordance with Condition 12 of the EPBC Act approval for the Project, this Annual Compliance Report documents compliance with the conditions for the period 26 September 2018 to 25 September 2019. As demonstrated in Table 1, no non-compliances with the conditions of the EPBC Act approval for the Project were recorded during the reporting period. Additionally no new environmental risks were identified during the reporting period.

APPENDIX A

SAWFISH AND RIVER SHARK SPECIES - EDUCATIONAL MATERIAL AND SIGNAGE

Notice to Recreational Fishers

Protected species inhabit these waters

- Largetooth Sawfish (*Pristis pristis*)
- Dwarf Sawfish (*Pristis clavata*)
- Green Sawfish (*Pristis zijsron*)
- Northern River Shark (*Glyphis garricki*)

If you catch a sawfish or river shark

- Keep the sawfish or river shark in the water
- Remove the hook and line or cut the line as close to the mouth as possible
- Beware of the sharp teeth on the rostrum of sawfish

If you see a sawfish or river shark

- Sightings provide valuable scientific information
- Note the date, location and take a photo (if possible)
- Report to Northern Territory Fisheries on fisheries@nt.gov.au or 08 8999 2144

It is an offence to kill, injure, take, trade, keep or move a sawfish or river shark species without a valid permit

Identifying a sawfish

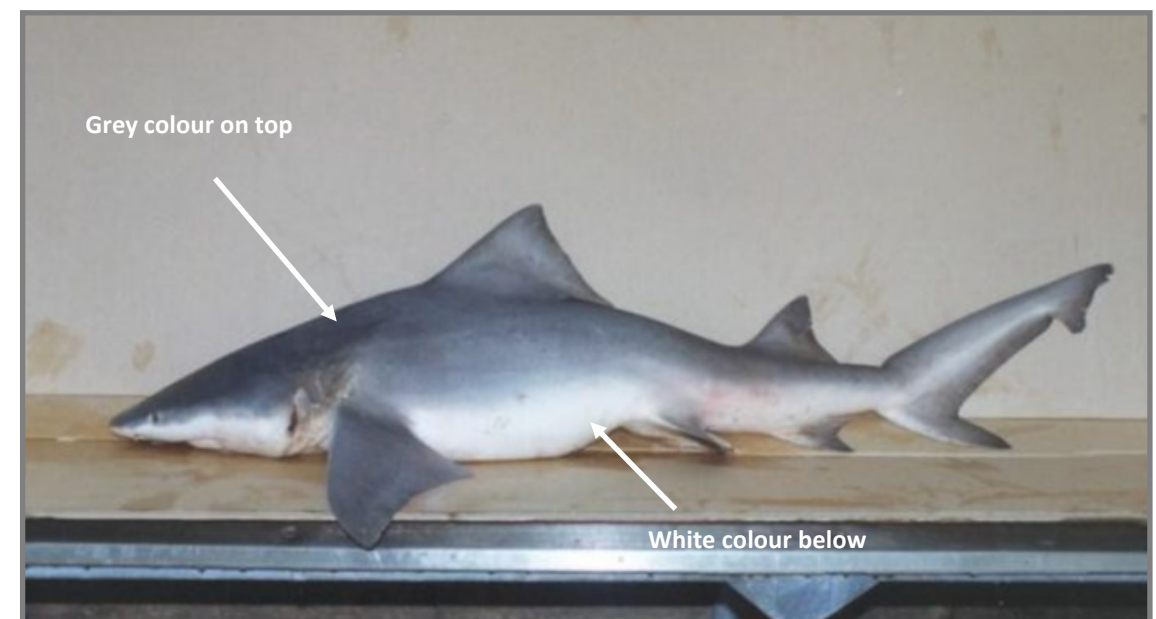
- Sawfish have a flattened body shape and a saw-like snout, called a rostrum
- Dwarf sawfish grow up to 310 cm in length
- Largetooth sawfish and green sawfish can grow up to 700 cm in length



Left: Dwarf Sawfish
(Photo credit: Water Technology)

Identifying a northern river shark

- The northern river shark has a stocky body with a high back.
- It is a steel-grey colour above and white below
- The northern river shark can grow up to 200 cm in length



Right: Northern River Shark
(Photo credit: Northern Territory Government)