

**GORGON BARROW ISLAND NET CONSERVATION
BENEFITS TRUST ACCOUNT**

**ANNUAL REPORT
TO
GORGON JOINT VENTURE
BARROW ISLAND ACT MINISTER
CALM ACT MINISTER**

2014/2015

October 2015



Department of
Parks and Wildlife



Department of Parks and Wildlife
Locked Bag 104
Bentley Delivery Centre WA 6983
Phone: (08) 9219 9000
Fax: (08) 9334 0498

www.dpaw.wa.gov.au

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This report was prepared by Dr Stuart Field

Questions regarding the use of this material should be directed to:

Dr Stuart Field
Office of the Director General
Department of Parks and Wildlife
Locked Bag 104
Bentley Delivery Centre WA 6983
Phone: (08) 9219 8785
Email: stuart.field@dpaw.wa.gov.au

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1. Executive Summary

This annual report for the Gorgon Barrow Island Net Conservation Benefits (NCB) Trust covers the period 1 July 2014 to 30 June 2015.

The Gorgon Barrow Island Net Conservation Benefits Advisory Board met twice during the year. Meetings were held in August 2014 and March 2015.

The Board has monitored the progress of the four funded projects against agreed milestones and budget expenditure. Advice has been provided to the Minister for Environment and the Director General of the Department of Parks and Wildlife, as the Account Administrator of the NCB trust.

2. Introduction

The Gorgon Gas Development Revised and Expanded Proposal: Barrow Island Nature Reserve, was approved by the Western Australian Government subject to a number of conditions and a commitment by the Gorgon Joint Venture participants to fund Net Conservation Benefits (NCB).

Under Clause 11 of Schedule 1 of the *Barrow Island Act 2003*, the *Gorgon Gas Processing and Infrastructure Project Agreement* as varied in November 2009 (the Agreement), the Gorgon Joint Venture participants agreed to pay \$60 million (indexed) in instalments to fund NCB.

NCB are defined in the Agreement as *“demonstrable and sustainable additions to or improvements in biodiversity conservation values of Western Australia targeting, where possible, the biodiversity conservation values affected or occurring in similar bioregions to Barrow Island”*.

Activities funded through NCB may only be undertaken after they have been considered by the Advisory Board and for which the Minister for Environment has received and considered their advice.

Arrangements for governance, consultation and reporting have been agreed between the Barrow Island Act Minister, Conservation and Land Management Act Minister and the Gorgon Joint Venture. These arrangements stipulate that:

“each year, within one month of completing the agency’s annual report, provide an annual report on the performance of the Account to the Advisory Board and to each Joint Venturer and the Gorgon Agreement Minister setting out details of activities and expenditures undertaken by the Account during the past year”.

This report fulfils these requirements for the financial year 1 July 2014 to 30 June 2015.

In February 2012, in accordance with the Advisory Board's recommendations, the Minister for Environment approved four projects requiring approximately \$23.4 million of NCB funds over seven years. The four projects are:

1. 'Dirk Hartog Island National Park Ecological Restoration Project' – Parks and Wildlife. NCB will fund \$8.5 million over seven years with Parks and Wildlife contributing another \$4.8 million.
2. 'Conservation systematics of western Pilbara fauna' – WA Museum. NCB will fund \$5.7 million over five years, with the Museum contributing another \$1.2 million.
3. 'Decision support system for prioritising and implementing biosecurity on Western Australia's islands' – James Cook University and Parks and Wildlife. NCB will fund \$2.04 million over five years with Parks and Wildlife and the university contributing another \$1.94 million.
4. 'Managing the conservation significance of coral reef ecosystems in the Pilbara/ Ningaloo region: Pilbara Marine Conservation Partnership' – UWA and CSIRO's Wealth from Oceans Flagship. NCB will fund \$7.2 million over five years, with UWA and CSIRO contributing another \$4.22 million.

In February 2013, in accordance with the Advisory Board's further recommendations, the Minister for Environment approved an additional \$2,991,947 for the Department of Environment and Conservation's (now Department of Parks and Wildlife) Dirk Hartog Island National Park Ecological Restoration Project. This addition has brought the total approved budget for the project to \$11,537,109 over the seven years.

3. Gorgon Barrow Island Net Conservation Benefits Trust activities 2014/2015

The Advisory Board met twice during the year, in August 2014 and March 2015. After each meeting, the Board sent a rolling position statement to the Minister for Environment, Director General of Parks and Wildlife and Chevron Australia. This statement can be used to assist in responding to enquiries regarding NCB projects or expenditure from Parliament, the media or the public.

In 2014/15, the Advisory Board reviewed the project funding agreements (contracts and project plans) between Parks and Wildlife, as the NCB Account Administrator, and the project proponents to ensure they were appropriate.

Over the 2014/15 financial year the Board has monitored the progress of the projects, through quarterly reports for projects 1 and 4 and six-monthly update reports for projects 2 and 3, against the agreed milestones and budgets for each project. The Board has provided advice to the Minister for Environment and the Director General of Parks and Wildlife, as Account Administrator of the NCB Trust,

on progress of the projects and any significant risks to achievement of the agreed milestones.

Following the August meeting, in agreement with Board recommendations, the Account Administrator adjusted the payment schedule for each of the projects to six monthly instalments to enable more efficient and effective management of the funds. At their March 2015 meeting the Board resolved to alter the reporting arrangements to six monthly to be consistent with the altered payment schedule.

During the 2014/15 year the Board has continued to progress the development of a website to provide information about the trust and progress of the funded projects. With the website nearing completion it will be live in the 2015/16 financial year.

4. Gorgon Barrow Island Net Conservation Benefits Trust Account 2014/2015

The Gorgon Barrow Island Net Conservation Benefits Account was created in 2007. In 2014/15, Chevron Australia paid \$2,255,913 into the Account, being the required amount plus indexing according to Clause 11(3) of the *Gorgon Gas Processing and Infrastructure Project Agreement 2003*, as varied by Clause 11A(5) in 2009.

In 2014/15, \$3,596,879 was spent from the Account, with:

1. \$1,746,520 provided to the Dirk Hartog Island National Park Ecological Restoration Project, Parks and Wildlife;
2. \$632,595 was provided to the Conservation systematics of western Pilbara fauna - WA Museum following a suspension in the first six month payment due to the delay in milestone completion and expenditure of funds;
3. \$773,441 was provided to the Pilbara Marine Conservation Partnership - managing the conservation significance of coral reef ecosystems in the Pilbara/ Ningaloo region, UWA and CSIRO's Wealth from Oceans Flagship following a suspension in the first six month payment due to the delay in milestone completion and expenditure of funds; and
4. \$428,396 was provided to the project, Decision support system for prioritising and implementing biosecurity on Western Australia's islands' - James Cook University and Parks and Wildlife.

In 2014/5 a total of \$15,927 of the Gorgon Project Coordinator's salary, overheads and other expenses were met from the NCB Account. The Gorgon Project Coordinator administered NCB Advisory Board meetings, worked with the Board on project proposals and reviewed project funding agreements and project plans.

A summary of Account activity for 2014/15 is presented in Table 1 with more detailed expenditure provided in Table 2.

Table 1: Summary of Gorgon Barrow Island Net Conservation Benefits Trust Account Activity 2014/2015.

	Opening balance (1 July 2014)	Income (2014/15)	Expenditure (2014/15)	Closing balance (30 June 2015)
	\$7,194,377			
Annual payment from Gorgon Joint Venturers		\$2,255,913		
Interest		\$221,005		
Expenditure			\$3,596,879	
Total	\$7,194,377	\$2,476,918	\$3,596,879	\$6,074,416

Table 2: Expenditure against the Gorgon Barrow Island Net Conservation Benefits Trust Account 2014/2015.

Item	Cost
Salary and payroll overheads – Project Coordinator	\$15,927
Travel and accommodation	-
Allowances	-
Staff costs	-
Establishment and consumables	-
Materials, contracts and services	-
Light fleet	-
Dirk Hartog Island National Park Ecological Restoration Project	\$1,746,520
Conservation systematics of the western Pilbara fauna	\$632,595
Decision support system for prioritising and implementing biosecurity on Western Australia's islands	\$428,396
Managing the conservation significance of coral reef ecosystems in the Pilbara/Ningaloo region: Pilbara Marine Conservation Project	\$773,441
Total	\$3,596,879

5. Planned Net Conservation Benefits Activities 2015/2016

The following activities are proposed for 2015/16:

a) Develop NCB website

The Advisory Board will complete the development of a website where information can be posted regarding the Board's activities and projects that are funded by the NCB Account. The intent is for the website to be available to provide similar information for future net conservation benefits or similar programs in WA or across Australia.

b) Monitor and provide advice on NCB projects

The Advisory Board will monitor NCB project progress against agreed milestones and budgets for each project and continue to provide advice to the Minister for Environment and the Director General of the Department of Parks and Wildlife.

c) Advertise for a second round of projects

The Advisory Board has received approval from the Minister for Environment to advertise for a second round of funding for a small number of projects. A two stage process will be employed for the selection of projects with approvals completed for funding to commence in the 2016/17 financial year.
