



Australian Government

Department of Climate Change, Energy,
the Environment and Water

Compliance Audit Report

Muchea Industrial Precinct, Lot 809
Great Northern Highway, Muchea,
Western Australia (EPBC 2017/8119)

Harvis Capital Pty Ltd

Report prepared by
Environmental Audit Section

08 October 2024



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Acknowledgement of Country

We acknowledge the Traditional Owners of Country throughout Australia and recognise their continuing connection to land, waters and culture. We pay our respects to their Elders past and present.

Contents

Contents 3

Document Control 3

Audit Details 4

Background 5

Audit Methodology 5

 Audit Objective 5

 Audit Criteria..... 5

 Audit Scope..... 5

 Audit Process 5

 Audit Terminology 6

Audit Findings 6

 Summary of audit findings..... 6

 Non-compliant findings 7

 Observations..... 8

 Auditee comments 8

RECOMMENDATIONS 8

ATTACHMENTS..... 8

FINAL REPORT DISTRIBUTION 8

Document Control

Version	Description	Approval	Date
0.1	Draft audit report released to auditee	Helen Hodgkins, Assistant Director	03 October 2024
1	Final audit report	Helen Hodgkins, Assistant Director	08 October 2024

Audit Details

Report Title	Compliance Audit of Muchea Industrial Precinct, Lot 809 Great Northern Highway, Muchea, Western Australia (EPBC 2017/8119)
Auditee Name	Harvis Capital Pty Ltd, as trustee for the Northern Gateway Unit Trust No 2
Main Auditee Contact Details	Mr Daniel Chatley Senior Development Manager, Harvis Capital Pty Ltd Level 9, 190 St George's Terrace, Perth WA 6000 Phone: 0418 881 658 Email: daniel@harvis.com.au
Other Auditee Personnel	N/A
Audit Lead	Karen Khoo, Senior Auditor, Environmental Audit Section audit@dcceew.gov.au
Audit Team	Helen Hodgkins, Assistant Director, Environmental Audit Section
Audit Date	August 2024 to September 2024
On-site Audit Details	Date of on-site audit: 10 September 2024 Location: 1 Mercury Rise, Muchea WA 6501 Attendees: • Harvis Capital Pty Ltd: ○ Daniel Chatley, Senior Development Manager • Chittering Landcare: ○ Calvin Fidge, Natural Resource Management Officer* • DCCEEW, Environmental Audit Section: ○ Helen Hodgkins – Assistant Director ○ Karen Khoo – Senior Auditor ○ Conor Dwyer – Auditor * present for the first ~1.5 hours of the site visit

Background

On 8 November 2019, a delegate of the Minister administering the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act) approved the Muchea Industrial Precinct, Lot 809 Great Northern Highway, Muchea, Western Australia (EPBC 2017/8119). The approval contains 26 conditions and includes requirements to install and manage artificial nesting hollows and revegetate the conservation reserves within the project site.

The action commenced on 16 December 2019 and is currently ongoing. There was no active construction occurring at the time of the audit. The approval has effect until 31 December 2049.

On 21 August 2024, the Department of Climate Change, Energy, the Environment and Water (department) commenced a compliance audit of Harvis Capital Pty Ltd (as trustee for the Northern Gateway Unit Trust No 2) (auditee) to assess compliance with the requirement and conditions of the approval (EPBC 2017/8119). The compliance audit was facilitated under condition 11 of the EPBC Act approval and was undertaken by an experienced auditor from the department.

Audit Methodology

This section of the report contains the audit methodology that was implemented to audit the Muchea Industrial Precinct, Lot 809 Great Northern Highway, Muchea, Western Australia against the conditions of the EPBC 2017/8119 approval and its associated plans.

Audit Objective

The objective of the audit was to effectively assess the compliance requirements of the auditee against the conditions of the EPBC Act approval (EPBC 2017/8119) and associated management plans.

Audit Criteria

The audit criteria was developed to address obligations required under the relevant approval instrument and measures required by associated management plans.

Audit Scope

The scope of the audit was to assess compliance with disturbance (land clearing), offset, commencement notification, and recordkeeping conditions. The following conditions were within the scope of this audit: 1, 3, 4, 6, 7, 8, 9, 10, and 11.

Audit Process

The compliance audit process commenced in August 2024, with the analysis and audit findings completed in September 2024.

The compliance audit was primarily undertaken by 'desktop review' of documentation and evidence provided by the auditee. Prior to the commencement of the audit, a letter of intent to audit was sent to the auditee on 21 August 2024 to ensure that the auditor and auditee were both suitably informed to conduct the audit.

In determining compliance with the conditions of approval, the auditor undertook a desktop audit of information available to the department.

An on-site audit was conducted on 10 September 2024 and included an opening meeting, meetings with the Harvis Capital Pty Ltd and Chittering Landcare representatives, document review, and a closing meeting.

Audit Terminology

The following terms are used to record findings during audits.

Compliant	Sufficient and appropriate information presented to demonstrate the compliance of a particular requirement.
Non-compliant	Clear evidence has been collected to demonstrate that a particular condition or requirement has not been met.
Not applicable	An element of the criteria was not activated or was not required within the scope of the audit.
Observation	An observation may be made about issues relevant to the protection of a matter of national environmental significance when the issue is not strictly related to compliance or non-compliance with a condition.

Audit Findings

Of the 9 conditions assessed under the approval, the audit found the following:

- Compliance with 5 of the 9 conditions of approval examined.
- Non-compliance with condition 4.
- Conditions 3, 7, and 8 were not applicable at the time of the compliance audit.

Summary of audit findings

A summary of the audit findings for each condition examined are contained in the table below. For a full list of conditions, please refer to the EPBC Act approval provided at **Attachment A**.

Condition	Audit Finding	Summary
1	Compliant	Clearing in the project area is below the specified thresholds.
3	Not applicable	The condition is not triggered as the auditee has not submitted the final report under condition 4(f).
4	Non-compliant	Historical non-compliance with subcondition 4(d) only as the auditee submitted the written and photographic evidence 1.5 months late.

6	<i>Compliant</i>	<i>The auditee has installed, maintained and is currently undertaking adaptive management of the six artificial nesting hollows. The auditee has met the various monitoring and inspection requirements required under this condition.</i>
7	<i>Not applicable</i>	<i>The condition is not triggered as it is not yet 9 years since commencement of the action.</i>
8	<i>Not applicable</i>	<i>The condition is not triggered as the auditee has not submitted the report under condition 7(b) and has not obtained the verification under condition 6(e) yet.</i>
9	<i>Compliant</i>	<i>The auditee notified the department of commencement of the action within the required timeframe.</i>
10	<i>Compliant</i>	<i>The auditee has maintained accurate and complete compliance records.</i>
11	<i>Compliant</i>	<i>The auditee provided copies of compliance records when requested.</i>

Audit findings of non-compliant are detailed below.

Non-compliant findings

The auditee was found to be **non-compliant** with 1 of the 9 conditions examined. The below table provides details of the findings for the non-compliant condition.

Condition 4

To mitigate the loss of 12.55 hectares of **black cockatoo habitat** and improve potential breeding and foraging opportunities for **black cockatoos** in the **project area**, the approval holder must:

- a. undertake revegetation works within the **conservation reserves** to establish a self-sustaining vegetation cover integrated with the surrounding ecosystem which provides **black cockatoo habitat** and that meets the **completion criteria**
- b. ensure that the density of planted vegetation is sufficient to account for mortality to meet the **completion criteria** and until the reserves are ceded to the Shire of Chittering
- c. commence revegetation required under Condition 4.a. within 12 months of **commencement of the action**
- d. provide the **Department** with written and photographic evidence of the commencement of the revegetation works within 10 days of their commencement
- e. not cease revegetation works until a **suitably qualified horticulturist** has verified that the revegetation works meet the **completion criteria** and the **Department** has been provided with written evidence, endorsed by a **suitably qualified horticulturist**, that the revegetation works meet the **completion criteria**
- f. upon attainment of the **completion criteria**, ensure all areas of revegetation are inspected by a **suitably qualified horticulturist** once every two years, during spring, for a further 10 years to ensure the **completion criteria** are maintained and provide the **Department** with a report of each inspection within 40 days after the inspection
- g. re-establish the **completion criteria** within revegetated areas within three months of becoming aware that an area of revegetation no longer meets the **completion criteria**.

Finding

Historical non-compliance with subcondition 4(d) only as the auditee submitted the written and photographic evidence on 2 December 2020 instead of before 18 October 2020. The department notes that this non-compliance is administrative in nature, was reported in the Year 1 Annual Compliance Report (2019-2020), and continues to be noted in annual compliance reporting. The department also notes that the auditee identified the non-compliance and rectified it by sending through the required information on 2 December 2020.

The auditee is otherwise compliant with the other requirements under condition 4; subconditions 4(f) and (g) were not triggered at the time of the audit.

Observations

The auditors made the following observations during the audit:

1. The revegetation works currently have a low survival rate at 11% (571 trees survived from 5140 plantings), noting that the heat has been challenging for growth, particularly in Year 2 (2021). Auditors noted that the auditee has been adjusting their approach from year to year to find a strategy that allows for a higher survival rate.
2. If there is change of ownership or administrative arrangements in the future, the EPBC approval must be transferred otherwise the auditee will remain liable for any non-compliance with conditions.

Auditee comments

Harvis Capital Pty Ltd confirmed that they had no comments on the audit report in correspondence dated 8 October 2024.

RECOMMENDATIONS

The auditee must continue to comply with the conditions of approval for the life of the approval, from the date of effect on 8 November 2019 until its expiry on 31 December 2049.

ATTACHMENTS

Attachment A	EPBC 2017/8119 approval decision notification (8 November 2019)
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FINAL REPORT DISTRIBUTION

- Harvis Capital Pty Ltd (as trustee for the Northern Gateway Unit Trust No 2)
- Department of Climate Change, Energy, the Environment and Water.