

**Gladstone Liquefied Natural Gas project:
Coordinator-General's change report no. 3
Audit Conditions**

March 2014

The Department of State Development, Infrastructure and Planning is responsible for driving the economic development of Queensland.

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D14/15843

Background

The *Gladstone Liquefied Natural Gas project – Coordinator-General's evaluation report for an environmental impact statement* (Coordinator-General's report) was released on 28 May 2010, pursuant to section 35 of the *State Development and Public Works Organisation Act 1971* (Qld) (SDPWO Act).

On 17 December 2013, the proponent applied to the Coordinator-General to evaluate proposed changes to the Gladstone Liquefied Natural Gas project, under Division 3A, section 35C of the SDPWO Act (the Act). In accordance with section 35H of the Act, the Coordinator-General has evaluated the environmental effects of these proposed changes, their effect on the project and any other related matters, and prepared this Coordinator-General's change report under section 35I of the SDPWO Act.

The project proponent Santos GLNG Pty Ltd

The project Gladstone Liquefied Natural Gas (GLNG) project

Proposed changes to the project

Santos GLNG applied to the Coordinator-General seeking changes to Appendix 1, Part 1, Condition 1 and Appendix 1, Part 3, Condition 1a), b), c) and d) (Reporting, Review and Auditing Arrangements), of the Coordinator-General's report.

Santos GLNG is seeking to remove duplication and streamline audit processes, which will assist in the efficient delivery of Santos GLNG's compliance obligations.

Evaluation

Proposed condition amendments will result in streamlined regulatory and administrative processes.

Decision

Changes approved as outlined in Appendix 1

Date of effect

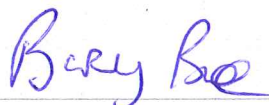
Pursuant to sections 35J and 35K of the SDPWO Act, approved changes take effect once a copy of this change report is given to the proponent, and made publicly available.

Decision authorised by

Name and Position

Barry Broe
Coordinator-General

Signature



Date of decision 9 March 2014

Pursuant to section 35K of the SDPWO Act, the Coordinator-General's report for the EIS for the project and the Coordinator-General's change report both have effect for the project. However, if the reports conflict, the Coordinator-General's change report prevails to the extent of any perceived inconsistency.

Appendix 1. Changes to GLNG project conditions

Coordinator-General evaluation report	Coordinator-General change report
<p>Appendix 1, Part 1, Condition 1</p> <p>The following third party auditing requirements must be applied for the whole project:</p> <ul style="list-style-type: none"> a) compliance with the Coordinator-General's imposed conditions of this report must be audited by an appropriately qualified and experienced third party auditor or auditors appropriate to the matters being audited, nominated by the proponent and accepted by the Coordinator-General within one year of the commitment of the project and annually thereafter b) the proponent must submit the third party audit report(s) to the Coordinator-General within 42 days of the end of the relevant period c) the audit report must identify the segment of the project being audited, the conditions that were activated during the period, and a compliance/non-compliance table. A description of the evidence to support the compliance table must be provided. The audit report shall also contain recommendations on any non-compliance or other matter to improve compliance. The third party auditor must certify the findings of the audit report d) the financial cost of the third party audit is borne by the proponent e) the holder of the environmental authority(s) must immediately act upon any recommendations arising from the audit report and: <ul style="list-style-type: none"> (i) investigate any non-compliance issues identified, and (ii) as soon as practicable, implement measures or take necessary action to ensure compliance with this authority. f) subject to Condition 1(a), and not more than one (1) month following the submission of the audit report, the proponent must provide written advice to the Coordinator-General addressing the: <ul style="list-style-type: none"> (i) actions taken by the proponent promptly and routinely to ensure compliance with the Coordinator-general's imposed conditions, and (ii) actions taken to routinely prevent a recurrence of any non-compliance issues. 	<p>Appendix 1, Part 1, Condition 1</p> <p>In order to verify the proponent's compliance with all conditions imposed by the Coordinator-General, the following third party auditing requirements must be applied for the whole of the project:</p> <ul style="list-style-type: none"> a) The audit period will: <ul style="list-style-type: none"> (i) commence from the date of the publication of the Coordinator-General's report evaluating the proponent's EIS for the project; and (ii) end once condition 1 f) has been satisfied for all imposed conditions. b) Audits must be undertaken throughout the Audit Period on an annual basis during the project construction phase (Construction Audit) c) Audits must be undertaken throughout the Audit Period every three years during the project operations phase (or at such lesser frequency as agreed by the Coordinator-General in writing) (Operations Audit) d) Audits must be undertaken generally in accordance with <i>AS/NZS ISO 19011:2011 Guideline for quality and/or environmental management systems</i> by an appropriately qualified person, engaged by and at the expense of the proponent. e) The proponent must provide the Audit Report to the Coordinator-General within 30 business days after the end of the relevant Construction Audit or Operations Audit. f) The Coordinator-General may agree in writing that the proponent: <ul style="list-style-type: none"> (i) has demonstrated in an audit report that the proponent has satisfied an imposed condition; and (ii) that the condition is no longer required to be the subject of any subsequent audit required by this Condition 1.

Reporting, Review and Auditing Arrangements

Reporting, Review and Auditing Arrangements

Appendix 1, Part 3, Condition 1(a)

Delete Appendix 1, Part 3, Condition 1(a) i-iv

- a) With respect to the SIMP:
 - (i) submit an annual progress report. The actual date is to be mutually agreed by the proponent and the Social Impact Assessment unit, Department of Infrastructure and Planning
 - (ii) undertake an external audit at the completion of the construction stage of the project periodically every 3 years after the commencement of the operational stage at the project closure during the decommissioning phase of the project
 - (iii) prepare and submit a report on each audit's findings to the Coordinator-General
 - (iv) all annual, periodical, and audit reports are to be submitted to the Coordinator-General within 60 days of completion of the relevant period.
- b) Revise the SIMP after the completion of the construction stage of the project

Delete Appendix 1, Part 3, Condition 1(b)

Requirements for any amendments to SIMP:

Delete Appendix 1, Part 3, Condition 1(c) i-ii

- c) advise the Coordinator-General under which of the following circumstances it wishes to make amendments and updates to the SIMP:
 - (i) strategies and actions no longer meet the desired outcomes, or to improve their effectiveness.
 - (ii) changes in government policy, significant changes to company operations and site structure, or significant national/international changes to management approaches and frameworks.

Delete Appendix 1, Part 3, Condition 1(d)

- d) identify a process to facilitate any amendments to be agreed by the proponent and DIP. If necessary, the Community Engagement Strategy should be updated to describe how stakeholders will be engaged in any change process at the time.