



2 October 2014

Our Reference: APLNG – COR - 0008248

Mr Barry Broe
Coordinator-General
Office of the Coordinator-General
Department of State Development, Infrastructure and Planning
PO Box 15517
City East
QLD 4002

Dear Mr Broe

RE: Application for Change Request to Coordinator-General Report Condition

Australia Pacific LNG Pty Limited (Australia Pacific LNG) in accordance with section 35C of the *State Development and Public Works Organisation Act 1971* (SDPWO Act) is requesting a change to the following conditions of the Coordinator-General Evaluation Report (CG Report) for the Australia Pacific LNG project (the project). The rationale for these changes is outlined below.

Appendix 1, Part 1, Condition 1

The change request seeks to undertake the following:

- Remove the duplication of compliance auditing requirements for environmental authorities (EAs) and development approvals that are subject to the *Environmental Protection Act 1994* and the *Sustainable Planning Act 2009*
- Align audit requirements within the CG report to imposed conditions
- Provide the Coordinator-General with the ability to remove a condition from future audit requirements once suitable evidence has been supplied by Australia Pacific LNG.

The existing and proposed Appendix 1, Part 1, Condition 1 has been included as Attachment 1.

The current condition requires all conditions of the CG Report, issued EAs and development approvals to be audited on a 3 yearly basis. Since the issue of the CG Report, Australia Pacific LNG has obtained a number of the necessary EAs and development approvals to undertake the project. As a result of obtaining these approvals the relevant regulatory authority has imposed their own third party audit requirements to assess compliance with the issued approvals.

The relevant environmental authorities and development approvals issued for the project identifying these audit requirements are contained in Attachment 2. Two EAs within the project area (Carinya – ATP973 and Gilbert Gully – ATP663) remain as exploration EAs and are therefore outside the scope of the CG Report until production commences in these areas. As these EAs transition to production EAs via amendments it is understood that the Department of Environment and Heritage Protection (EHP) will include an audit condition similar to that imposed on other EAs issued for the project.

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Appendix 4, Part 3, Condition 2

The change request seeks to delete the condition in its entirety. The current wording of the CG Report condition is as follows:

"Prior to the commissioning of Train 1, the proponent must provide an operations environmental management plan (OEMP) that provides detailed information about the activities to be carried out under the environmental authority related to commissioning and operation of the LNG facility. The OEMP must address, but not be limited to...."

Environmental Authority # EPPG00715613 was issued in April 2011 for the LNG facility on Curtis Island with the above condition being included as condition (A11) on the EA. The EHP has indicated support for the removal of the condition from the EA on the basis that the condition is removed from the CG Report (refer Attachment 3). In providing support for the removal of the condition EHP has concluded that there will be no additional risk to the environmental values for air in accordance with the *Environmental Protection (Air) Policy 2008*. Additionally, in support of removal of the condition the EHP has advised that under the recently published streamlined model conditions for petroleum activities there is no longer a requirement for submission of an operation environmental management plan to EHP. Potential impacts will continue to be monitored and managed using the outcome focussed conditions which remain in the EA.

Conclusion

Neither of the proposed changes to the conditions deviates from the description of the Environmental Impact Statement for the project nor result in an increased risk of potential impacts from project activities.

Given the administrative nature of the proposed changes to the imposed conditions, Australia Pacific LNG requests your consideration that change report fees be waived on this occasion.

If you have any queries in relation to this matter please do not hesitate to contact either Rob Uilly on 3033 1491 or Michael Schwede on 3182 7159.

Yours sincerely,



Page Maxson
Chief Executive Officer
Australia Pacific LNG Pty Limited
Att.

ATTACHMENT 1 - Existing and proposed Appendix 1, Part 1, Condition 1

Proposed change to APLNG project audit condition

Current Imposed Condition Coordinator-General Evaluation Report	Proposed Imposed Condition Coordinator-General Change Report
<p>Appendix 1, Part 1, Condition 1</p> <p>Compliance Auditing</p> <p>The following third party auditing requirements must be applied for the whole project:</p> <ol style="list-style-type: none"> 1. Compliance with the conditions of this Coordinator-General report, environmental authority(s) and development approvals must be audited by an appropriately qualified third party auditor, nominated by the holder of environmental authority(s) and accepted by the Coordinator-General and administering authority, within one year of the commencement of these petroleum activities, and three yearly thereafter. 2. Upon receipt of the third party audit report, the holder of the environmental authority(s) must submit a copy of the report to the Coordinator-General and to the administering authority. 3. The third party auditor must certify the findings of the audit in the report as being an accurate and independent assessment of compliance with the conditions of this Coordinator-General's report, environmental authority(s) and development approvals. 4. The financial cost of the third party audit must be borne by the proponent. 5. The holder of the environmental authority(s) must, within a reasonable timeframe, agreed to in writing by the administering authorities, act upon any recommendations arising from the audit report. 6. Not more than three (3) months following the submission of the report, the holder of the environmental authority(s) and development approvals must provide written report to the Coordinator-General and administering authority on the: <ol style="list-style-type: none"> (a) actions taken by the holder to ensure compliance with conditions of the Coordinator-General's report and environmental authority(s) and development approvals (b) actions taken to prevent a recurrence of any non-compliance issues identified by the report of the third party auditor. 	<p>Delete/Insert</p> <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> <ol style="list-style-type: none"> 1. The audit period will: <ol style="list-style-type: none"> (a) commence once construction of petroleum activities start; and (b) end once all imposed conditions have been satisfied 2. An initial audit must be undertaken within one (1) year of the Audit Period and then three (3) yearly thereafter during the project construction phase (Construction Audit). 3. Audits must be undertaken throughout the Audit Period every three (3) years during the project operations phase (Operation Audit). 4. Audits must be undertaken generally in accordance with <i>AS/NZS ISO 19011:2014 Guidelines for auditing management systems</i>, by an appropriately qualified person engaged by and at the expense of the proponent. 5. The proponent must provide the Audit Report to the Coordinator-General within 30 business days of receipt of the relevant Construction Audit or Operations Audit report from the third party. 6. The Coordinator-General may determine that an imposed condition is no longer required to be audited where: <ol style="list-style-type: none"> (a) the condition (or its intent) <ol style="list-style-type: none"> i. has subsequently become a requirement of or has been addressed through new or amended legislation or another regulatory approval; and ii. it is no longer appropriate that the matter be addressed by the Coordinator-General, as it is managed pursuant to other regulatory requirements; or (b) the Coordinator-General is satisfied that the condition (or its intent) has been completed.