



COMPLIANCE AUDITS COMPLETED DURING 2015

Summary of Findings

This document is a summary of findings for compliance audits completed during 2015 under the Department's Compliance Auditing Plan.

The projects audited were:

- EPBC 2008/4398 – Queensland Curtis Liquefied Natural Gas (QCLNG) Project
- Sea Dumping Permit SD 2013/2402 – Maintenance dredging of the Port of Port Hedland
- EPBC 2008/4059– Santos GLNG Project
- EPBC 2009/4974 – Australia Pacific LNG Project

EPBC 2008/4398 – Queensland Curtis Liquefied Natural Gas (QCLNG) Project

On 5 February 2014 the Queensland Gas Company Ltd (QGC) were directed to undertake a scoped independent compliance audit of the EPBC Act approval granted to develop, construct, operate and decommission the coal seam gas component of the Queensland Curtis LNG Project, including expansion of the QGC operated coal seam gas fields in the Surat Basin – EPBC 2008/4398. The audit was commissioned in accordance with condition 100 of the approval and as a component of the annual compliance audit program.

The scope of the audit was limited to approval conditions 3 to 13 and 20 to 26 with the rationale being that the audit will provide information on the effectiveness of the methods employed in relation to the staged clearance of vegetation, including threatened ecological communities and habitat for threatened species, during construction of access roads, well pads, trunklines, pipelines, accommodation sites and gas processing and water treatment facilities.

The independent audit has addressed the criteria to the satisfaction of the Minister's delegate.

Although the independent audit found that QGC had met the majority of activities to satisfy the conditions of the EPBC Act approval that were within the scope of the audit, the independent audit and the Department's review of the findings identified a number of non-compliances relating to:

Conditions 5 and 20 which relate to the Constraints Planning and Field Development Protocol (the Protocol) which governs how constraints planning and field development decisions are to be undertaken before the final selection of specific sites for gas field development within the project area are made.

Condition 9 which requires the approved Significant Species Management Plan(s) to be implemented.

Condition 26 which required an Offset Plan to be prepared within 6 months of the commencement of the action.

The non-compliance with Condition 26 has previously been addressed by the Department and no further action is required. In relation to the remaining non-compliances the Department is engaging with the QGC to ensure that they are addressed to the satisfaction of the Department in accordance with the Department's EPBC Act Compliance and Enforcement Policy.

Sea Dumping Permit SD 2013/2402 – Maintenance dredging of the Port of Port Hedland

A compliance audit of a sea dumping permit to undertake maintenance dredging over a five year period of the Port of Port Hedland, Western Australia, was conducted by the Department from March - April 2015.

There are 21 conditions set out in the sea dumping permit decision. The Pilbara Ports Authority (PPA) generally demonstrated compliance with the requirements of the sea dumping permit conditions that were applicable at the time of audit.

Condition 4 requires each load of dredged material to be dumped so that the material is distributed evenly over an area located within the disposal site. The PPA was found to be non-compliant with this condition as an assessment report of the spoil ground concluded that for the 2013 campaign dumping was generally evenly spread except for a few isolated areas, however these are still well within the dumping zone. The Department considers that this non-compliance is technical in nature with no evidence of environmental harm caused.

Conditions 14 and 16 require the reporting of environmental incidents or risks to the Department, including any incidents involving injury or death to marine mammals or turtles. The PPA was found to be non-compliant with these conditions as a report was not submitted within the required timeframe and the reports did not initially include all of the required information although this information was subsequently provided.

There were two undetermined findings against Condition 7 which relate to implementation of the Long-term Dredge Material Management Plan and Condition 14 was also undetermined which relates to marine fauna observations.

The non-compliances have been addressed administratively in line with the Department's Compliance and Enforcement Policy.

EPBC 2008/4059– Santos GLNG Project

On 5 February 2014 Santos Limited (Santos) were directed to undertake a scoped independent compliance audit of the EPBC Act approval granted to develop, construct, operate and decommission coal seam gas resources in the Surat and Bowen Basins between Roma and Emerald in Queensland – EPBC 2008/4059. The audit was commissioned in accordance with condition 100 of the approval and as a component of the annual compliance audit program.

The scope of the audit was limited to approval conditions 3 to 13 and 20 to 25 with the rationale being that the audit will provide information on the effectiveness of the methods employed in relation to the staged clearance of vegetation, including threatened ecological communities and habitat for threatened species, during construction of access roads, well pads, trunklines, pipelines, accommodation sites and gas processing and water treatment facilities.

The independent audit has addressed the criteria to the satisfaction of the Minister's delegate.

Although the independent audit found that Santos had met the majority of activities to satisfy the conditions of the EPBC Act approval that were within the scope of the audit, the independent audit and the Department's review of the findings identified some non-compliances relating to:

Condition 13 which requires impacts to be recorded if an impact occurs (which may include a presumed impact where the species is presumed to be present) to a MNES during gas field development, operation or decommissioning.

Condition 20 which relates to the Constraints Planning and Field Development Protocol (the Protocol) which governs how constraints planning and field development decisions are to be undertaken before the final selection of specific sites for gas field development within the project area are made.

Condition 22 which requires the Protocol and related plans to be reviewed and updated by the proponent: to take into account the findings of the Cumulative Impact Assessment Report (CIA) required by the Queensland Government; before each major stage of the proponent's gas field development; or following a written request from the Department.

The Department is engaging with Santos to ensure that the non-compliances are addressed to the satisfaction of the Department in accordance with the Department's EPBC Act Compliance and Enforcement Policy.

EPBC 2009/4974 – Australia Pacific LNG Project

On 5 February 2014 Origin Energy (Origin), as agent for Australia Pacific LNG Pty Limited, were directed to undertake a scoped independent compliance audit of the EPBC Act approval granted to develop, construct, operate and decommission the coal seam gas field component of the Australia Pacific LNG Project in the Walloons gas fields within the Surat Basin in south central Queensland – EPBC 2009/4974, in accordance with condition 102 of the approval and as a component of the annual compliance audit program.

The scope of the audit was limited to approval conditions 3 to 13 and 20 to 26 with the rationale being that the audit will provide information on the effectiveness of the methods employed in relation to the staged clearance of vegetation, including threatened ecological communities and habitat for threatened species, during construction of access roads, well pads, trunklines, pipelines, accommodation sites and gas processing and water treatment facilities.

The independent audit has addressed the criteria to the satisfaction of the Minister's delegate.

Although the independent audit found that Origin had met the majority of activities to satisfy the conditions of the EPBC Act approval that were within the scope of the audit, the independent audit and the Department's review of the findings identified some non-compliances relating to:

Condition 5 which relates to the Constraints Planning and Field Development Protocol (the Protocol) which governs how constraints planning and field development decisions are to be undertaken before the final selection of specific sites for gas field development within the project area are made.

Condition 8 which requires the Significant Species Management Plans (SSMP's) to address certain management practices and methods to minimise impact and recover from impact as is relevant to each MNES.

Condition 13 which requires impacts to be recorded if an impact occurs (which may include a presumed impact where the species is presumed to be present) to a MNES during gas field development, operation or decommissioning.

Condition 20 which requires the Protocol to be implemented.

Condition 25 which prescribes disturbance limits for listed threatened ecological communities and disturbance limits for potential habitat for listed species.

The Department is engaging with Origin to ensure that the non-compliances are addressed to the satisfaction of the Department in accordance with the Department's EPBC Act Compliance and Enforcement Policy.