

Bowen Basin Coal Growth Project: Caval Ridge Mine

Coordinator-General's Change Report No. 10 Audit

May 2014

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Background

The *Bowen Basin Coal Growth Project: Caval Ridge Mine – Coordinator-General's evaluation report for an environmental impact statement* (Coordinator-General's report) was released in August 2010, pursuant to section 35 of the *State Development and Public Works Organisation Act 1971* (Qld) (SDPWO Act).

On 7 April 2014, the proponent applied to the Coordinator-General to evaluate a proposed change to the Bowen Basin Coal Growth Project: Caval Ridge Mine, 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 the proposed change, the 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 BHP Billiton Mitsubishi Alliance Coal Operations Pty Ltd (BMA)

The project Bowen Basin Coal Growth Project: Caval Ridge Mine

Proposed changes to the project

The proposed change will streamline operational phase audit processes by:

- providing clarity that where imposed conditions have been satisfied, auditing of these conditions is not required; and
- reducing the audit task from four audit reports to two audit reports in a six year operational period, with the provision that the Coordinator-General retains the ability to require more frequent audits if deemed necessary.

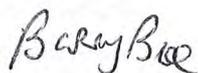
Decision Deletion and replacement of Appendix 1, Schedule 1, Part 1, Condition 4 of the Coordinator-General's Evaluation Report.

Date of effect Pursuant to section 35J 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 Barry Broe

Position Coordinator-General

Signature



Date of decision 26 May 2014

Pursuant to section 35K of the SDPWO Act, the Coordinator-General's report on 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. Change to Bowen Basin Coal Growth Project: Caval Ridge Mine condition

Coordinator-General Evaluation Report

Coordinator-General Change Report 10

Appendix 1, Schedule 1, Part 1, Condition 4

Audit reports

- (a) Compliance with the Coordinator-General's imposed (Schedule 1) conditions of this report must be audited by an appropriately qualified and experienced third party auditor or auditors relevant to the matters being audited, nominated by the proponent and accepted by the Coordinator-General within six months of commencement of construction of the CRM, then annually until the second year of operation of the CRM, and then biennially thereafter until six years of operation of the CRM has occurred.
- (b) The proponent must submit the third party audit report(s) to the Coordinator-General within 60 days of the end of the relevant period.
- (c) The audit report must identify 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 must 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 proponent must immediately act upon any recommendations arising from the audit report and:
 - (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 (a), and not more than one month following the submission of the audit report, the proponent must provide written advice to the Coordinator-General addressing the:
 - (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.

Appendix 1, Schedule 1, Part 1, Condition 4

Audit reports

- (a) Audits are to be undertaken throughout the audit period on an annual basis during the project construction phase and every three years during the operations phase (or at such lesser frequency as agreed by the Coordinator-General in writing), for compliance with the Coordinator-General's imposed (Schedule 1) conditions. Audits are to be undertaken generally in accordance with AS/NZS ISO 19011:2011 *Guideline for quality and/or environmental management systems* by an appropriately qualified person, engaged by and at the expense of the proponent.
- (b) The approved audit report is to be provided to the Coordinator-General within 30 business days after the end of the relevant audit period.
- (c) The audit period will:
 - (i) commence from the date of the project receiving the Coordinator-General's recommendation to proceed; and
 - (ii) end once all imposed conditions have been satisfied, or six (6) years after the commencement of operations (whichever is the earliest).
- (d) Where the Coordinator-General has agreed in writing that the proponent has satisfied an imposed condition; that condition will no longer be subject to further audit requirements.
- (e) The Coordinator-General may determine that an imposed condition has been satisfied where:
 - (i) the condition (or its intent) has subsequently become a requirement of, or has been addressed through subsequent 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
 - (iii) the condition (or intent) has been completed to the satisfaction of the Coordinator-General.