

CSG Logistics safety code of practice

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The CSG Journey



- In 2011, the four major CSG companies in Queensland led by Origin, (as Upstream Operator of the Australia Pacific LNG Project), identified the Australian Logistics Council (ALC) National Logistics Safety Code (NLSC) as the most appropriate tool to assist us to manage and mitigate the potential safety and compliance risk associated with Heavy Vehicles.
- Origin has led the development of the CSG Logistics Safety Code of Practice (“Logistics Safety Code”) in partnership with Santos GLNG, Arrow Energy and QGC.
- The Logistics Safety Code is managed through our Land Transport Steering Committee which is made up of senior representatives from each of the companies
- The Australia Pacific LNG Project would see Origin employees and contractors travel approximately 80 million kilometres in the first 3 years.

The Challenges



- Greenfield code created from scratch
- Project environment
- People gaining a better understanding of the issue
- Coordinating input from four different companies
- Working in regional areas
- Constant changing



The Construction

- Gas Wells 826 drilled and 729 completed to date - target 970 wells
- 54 Camps for 8000 Personnel over 27000 Km²
- Seven Gas Processing Plants
- 700 KM of line pipe (250,000 Tonnes)
- Four water treatment facilities
- Electrification
- Telecommunications

The transport

- Overseas and domestic supplies
- Sea, Air and Road
- Loads from ½ kg to 140 Tonnes
- Up to 25L x 7.56W metre loads

National Logistics Safety Code

Commitments



1. Recognise and accept our obligations
2. Comply with all road transport laws
3. We will not knowingly make any demand or requirement that would cause us to breach
4. Actively support the development of the Code
5. Have adequate processes, programs, policies and training to demonstrate compliance
6. Recognise and accept our 'Chain of Responsibility' obligations
7. All new contracts or arrangements require compliance with this Code
8. We accept that cost alone should not be the determining factor in meeting our obligations
9. Actively support the development of nationally consistent road transport regulations

Why do we need this Safety Code?



To support supply chain safety compliance

- Manages our highest risk
 - Heavy vehicle category
- Legislative requirements
 - National Heavy Vehicle Law
 - Reasonable enquiry
 - Chain of Responsibility and other Road Laws

How Origin manages its corporate responsibility obligations



- Signatory to the Logistics Safety Code
 - Robust assurance program
 - Registered under federal law
 - Awareness of responsibilities
 - Training and competency
 - Reasonable Steps Defence
- The Logistics Safety Code establishes our **minimum levels of safety**

What does this mean for me?



- Identify if you are a party of the Chain
 - Parties to the Chain are responsible
 - We must understand what that responsibility means
 - Cannot contract out responsibility or delegate
- The Logistics Safety Code
 - Our main mitigation of our transport risk
 - All the necessary information and training is available so can be competent

Origin's approach to compliance



Our approach

- Identify each sub-project
- Conduct supply chain discovery sessions to identify all relevant supply chain partners
- Plan Schedule consultatively
- Liaise with parties to be assessed
- Conduct assurance assessments
- Provide guidance and assistance to supply chain partners to meet the required level of compliance to the Logistics Safety Code
 - Links to information
 - Online training
 - Establish corrective action plans

Origin's approach to compliance (continued)



CSG Code is recognised by other CSG proponents

- Santos - GLNG
- Arrow Energy
- QGC - QCLNG

CSG Code recognition of other accreditations schemes

- National Heavy Vehicle Accreditation Scheme (NHVAS)
- Western Australian Heavy Vehicle Accreditation (WAHVA)
- TruckSafe
- AS 4801 Certification - Safety Systems
- ISO 9001 Certification - Quality Management Systems
- Retail Logistics Supply Chain Code
- Australian Steel Industry Code
- Other externally audited and accredited schemes may also be acceptable

Benefits

- Robust, industry-wide mitigation of heavy road vehicle safety risks across the CSG supply chain
- Standardised tool improves understanding of risk and clarity on legal obligations
- Independent audits help identify/avoid high-risk contractors



Learning's

- Origin had conducted over 140 Logistics Safety Code audits at end of 2013 of various companies covering a multitude of disciplines ranging from family owned and operated to multinational companies.
- These audits have identified
 - 4000 corrective actions (Origin has seen these as opportunities for improvement)
 - Training was identified early on as an opportunity for improvement so we established web based training programs that every party (not just Origin but our contractors as well) in all our supply chains could access to cover

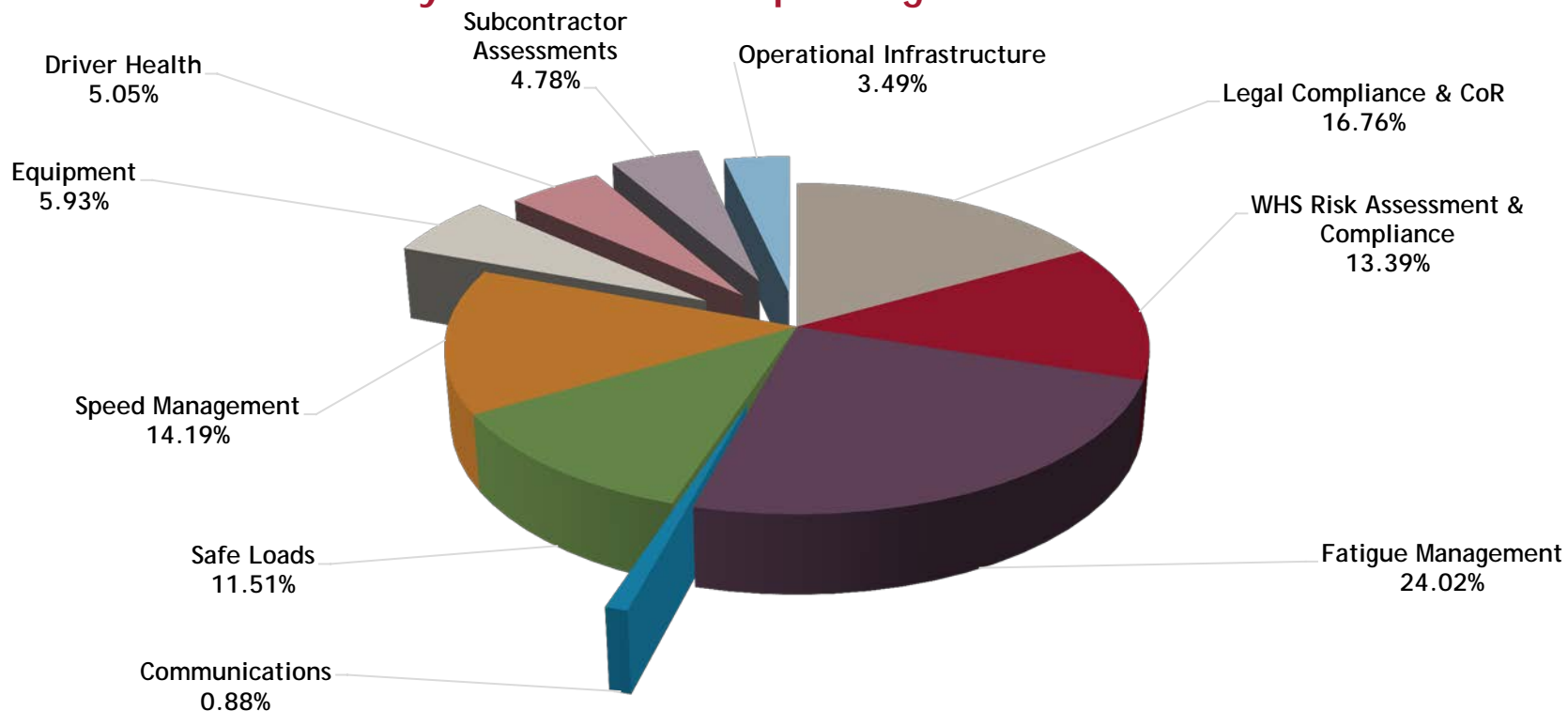
Online Training

- TLIF2092A Demonstrate awareness of chain of responsibility regulations
- TLIF3093A Implement chain of responsibility regulations (Supervisors)
- TLIF4094A Ensure compliance with chain of responsibility (Managers)
- TLID2004A_Load and Unload goods/Cargo
- TLIF2010A Apply fatigue management strategies(Drivers)
- TLIF3063A Administer the implementation of fatigue management strategies (Schedulers)

Code audit reporting



National CAR Count by Element for Reporting Period - to date

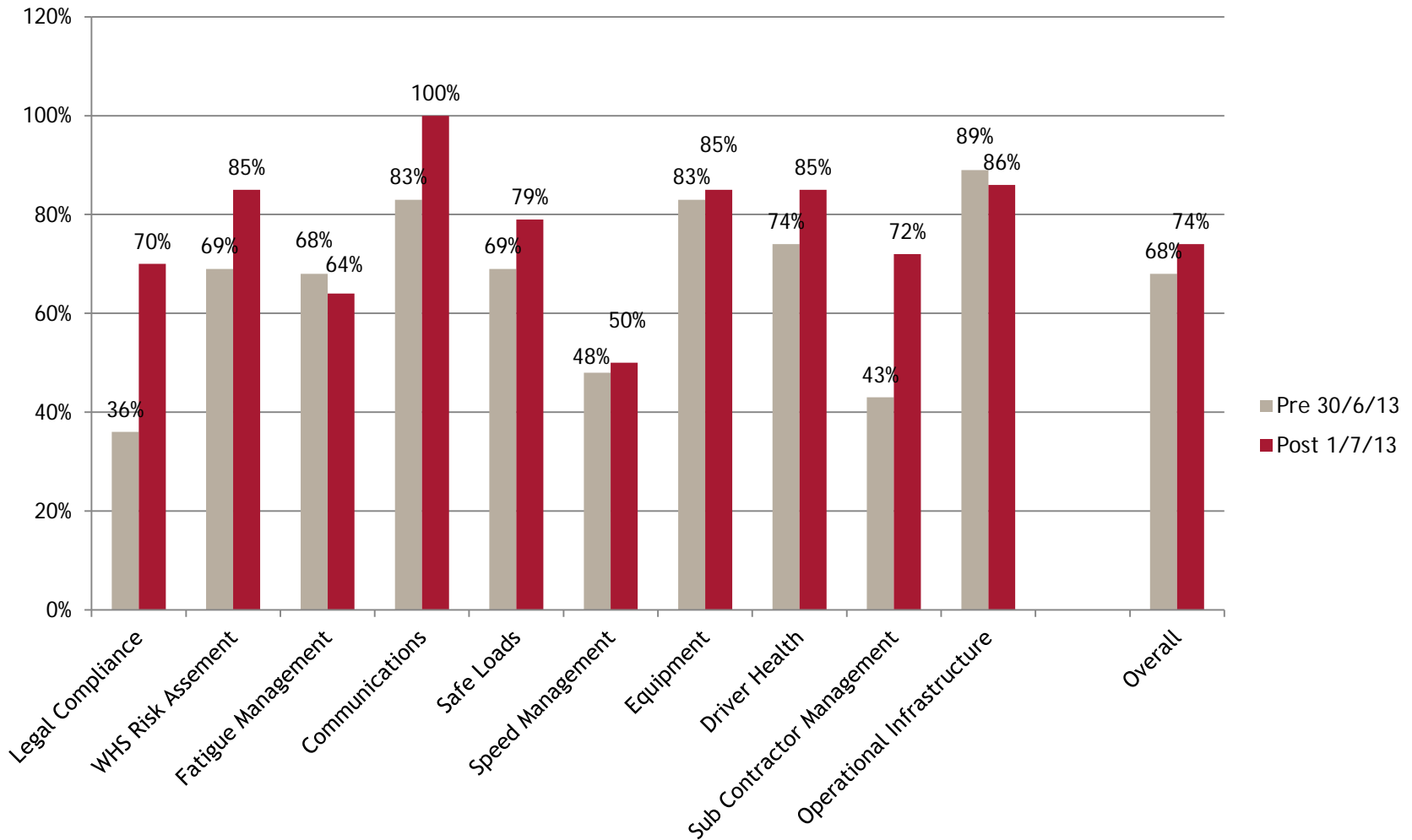


Milestones

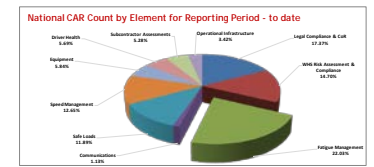
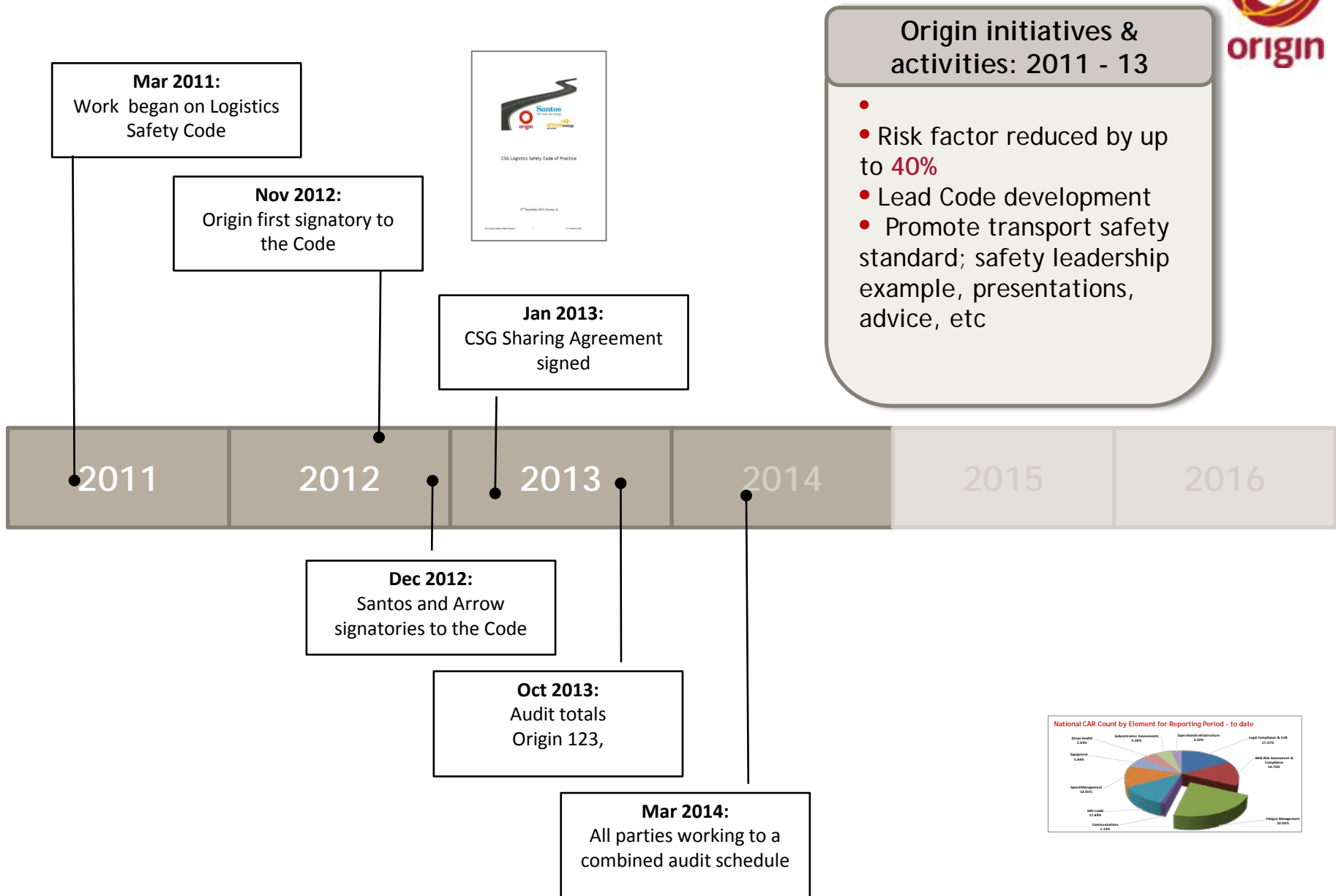


- Introduced a dedicated CSG website as a central source of information
- Identified the need to conduct ongoing assessment and skills training of auditors to ensure consistency.
- All Corrective Action Request are required to achieve 28 day close out.
- Our sub-projects are now more aware of HVNL / CoR and are taking this into consideration when planning future activities
- Auditee's are positive to the approach taken and openly compliment the process
- We have taken action in relation to non-compliance
- Recognition of the Logistics Safety Code and how it supports safety and compliance throughout our industry
 - QTMR HVRO who very supportive
 - IADC
 - Collaboration with various other government departments
- An independent audit of Origin Safety systems identified that where the Logistics Safety Code is implemented fully across all functions (from contract engagement to delivery) of a sub project it contributed to a 40% improvement in our ability to manage safety and compliance risk.

Measurements for Success



What has the Code achieved so far?



Where can I find our more information?



<http://alcsafety.com.au/csg-lsc>

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Thank you
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