

MELBOURNE METRO RAIL PROJECT ENVIRONMENT EFFECTS STATEMENT
INQUIRY AND ADVISORY COMMITTEE

MMRA TECHNICAL NOTE

TECHNICAL NOTE NUMBER: 069

DATE: 5 October 2016

PRECINCT: All Precincts

EES/MAP BOOK REFERENCE: EES Section 23: Environmental Management Framework

SUBJECT: Response to the 'Matters for further consideration and/or clarification' request dated 12 September 2016

(xiii) Independent Auditor

NOTE:

1. This Technical Note has been prepared to respond to issues raised by the Inquiry and Advisory Committee ("**IAC**") in the 'Matters for further consideration and/or clarification' request dated 12 September 2016.
2. For ease of reference, this Technical Note sets out each relevant request made by the IAC followed by a response from MMRA.

Request:

3. The IAC has requested:

Clarification on the role of the Independent Environmental Auditor with the PPP components of the Project for the stations and tunnels including specifics of the limits of those components and whether, in specifying the requirements for an independent auditor, MMRA is referring to an auditor within the meaning of the Environment Protection Act 1970 or simply an 'auditor' more broadly.

Response:

4. By way of context, relevant background information to the responses in this Technical Note can be found in:
 - a. Technical Note 041, which responded to earlier IAC questions about governance and oversight of the Environmental Management Framework (“**EMF**”) and approval of plans, strategies and guidelines; and
 - b. Technical Note 068, which responds to the IAC question about the form content of the Incorporated Document, including substantiation about the various approvals processes to apply.
5. To explain the role of the Independent Environmental Auditor it first helps to understand the role of the Independent Reviewer.
6. A significant proportion of Melbourne Metro is being delivered as a Public-Private Partnership (“**PPP**”). These projects traditionally have an Independent Reviewer to review design and construction, and monitor compliance with project scope and technical requirements as defined in the project contract (referred to as the Project Agreement).
7. Consistent with normal market practice, the Independent Reviewer will certify that the PPP Contractor has achieved milestones, and monitor compliance with the Project Agreement.
8. For the Melbourne Metro Rail Project, an Independent Environmental Auditor will also be appointed to undertake audits of the project activities to verify compliance with the EMF (which contains the Environmental Performance Requirements (“**EPRs**”)), environmental management plans, and approval conditions.
9. The Independent Environmental Auditor would audit key plans, as required by the Incorporated Document, for compliance with the EPRs.
10. The role of the Independent Environmental Auditor is therefore additional (and separate) to the Independent Reviewer. The Independent Environmental Auditor responsibilities include:
 - a. Prior to commencement of work, verify that the contractor has complied with each relevant EPR;
 - b. Conduct audits of the contractor’s works to verify compliance with the CEMP, OEMP, EMF and EPRs;
 - c. Review the contractor’s performance against the EPRs; and
 - d. Prepare audit reports containing the results of audits.
11. The Independent Environmental Auditor would be required to prepare audit reports and provide these to MMRA, the Independent Reviewer, and other relevant government agencies (as required by MMRA). The audit

reports would facilitate the continuous improvement of environmental management in respect of the project activities.

12. Each contractor is required to undertake corrective and preventative actions arising as a result of environmental audits undertaken, and within the timeframe specified in the audit report.
13. Appointing an Independent Environmental Auditor will ensure that environmental management and compliance with EPRs is subject to a high level of review and surveillance.
14. It is not intended for the Independent Environmental Auditor to be an auditor appointed by the EPA under the *Environment Protection Act 1970*. Auditors appointed by the EPA are typically engaged by another environmental consultant to audit contaminated land and industrial facilities, but the scope of issues associated with constructing Melbourne Metro are much broader. It is instead proposed that a suitably qualified and experienced auditor is appointed as the Independent Environmental Auditor. As has been the case on other major projects, the Independent Environmental Auditor role could be filled by a Joint Venture or partnership of companies with the necessary range of expertise across all disciplines covered by the EPRs.
15. As stated in the EMF, the Independent Environmental Auditor would be appointed by the PPP contractor. MMRA has undertaken to also engage an Independent Environmental Auditor for the Rail Systems Alliance and Rail Infrastructure Alliance packages. The Early Works package has also been required to engage an Independent Environmental Auditor.

CORRESPONDENCE:

No correspondence.

ATTACHMENTS:

No attachments.