

QGC SUBMISSION

SENATE SELECT COMMITTEE ON UNCONVENTIONAL GAS MINING

18 March 2016

Contents

Section	Subject	Page
1.0	Executive Summary	3
2.0	QCLNG Project Overview	4
3.0	Building Partnerships with Landholders	5
4.0	Water Management	14
5.0	Environmental Management	18
6.0	Social Impacts	20
7.0	Economic Impacts	23
APPENDIX A.	Response to submissions	28
APPENDIX B.	Factsheet: Social Impact Management Plan	34

1.0 Executive Summary

QGC is a leading Australian natural gas explorer and producer focused on supplying gas to domestic and international markets. We are the developer and operator of the Queensland Curtis LNG (QCLNG) project, the world's first project to liquefy natural gas from coal seams.

The Senate Select Committee on Unconventional Gas Mining explores a range of issues about which QGC has direct experience.

We support the submission made by APPEA to the Inquiry which presents a comprehensive view on the science and practices of the national industry. In this submission, we have chosen to address clause 1(b) of the Committee terms of reference in relation to the *“health, social, business, agricultural, environmental, landholder and economic impacts of unconventional gas mining”*.

In summary, we provide clear evidence of the way in which the development of the natural gas industry in Queensland has worked in co-operation with landholders and local communities and generated economic benefits for employees and local suppliers across Queensland by:

- Implementing a process for engagement with landholders based on respect and a thorough understanding of private land uses and offering the ability for landholders to negotiate terms and conditions including compensation
- Complying with extensive regulations in relation to water management and undertaking comprehensive research into groundwater to ensure no wide-scale dewatering of the systems which form part of the Great Artesian Basin
- Meeting obligations for make good on water levels and generating over 70,000ML of treated water for beneficial use by farmers, industry and communities that is otherwise unavailable
- Becoming the only natural gas company in Australia to achieve international accreditation under ISO 14001 for our Environmental Management System providing confidence in our ability to control and manage risks to the environment
- Managing social impacts and generating community benefits through support for a wide range of not-for-profit organisations
- Implementing a local content strategy creating thousands of jobs and procuring greater than 90% of goods and services in Australia and 70% within Queensland including regional communities
- Developing and managing best practice Indigenous participation programs.

QGC's operations are focussed on developing Queensland's natural gas reserves in order to supply both domestic and international markets. Over time our operations have evolved to make us an important community partner which is also focussed on economic growth and jobs creation in regional Queensland, service delivery that directly benefits the communities in which we operate and returning value to the people of Queensland.

QGC is proud to be one of Queensland's most active community partners and we look forward to continuing to play a constructive role in the local communities in which we operate, as we continue to advance the natural gas industry to the benefit of all Queenslanders.

2.0 QCLNG Project Overview

Queensland Gas Company (QGC) was established in 2000 to explore and develop Queensland's resources of natural gas in coal seams. The company commenced supplying natural gas to the Queensland domestic market in 2006 and so for 10 years, has been an important source of reliable energy for the state.

BG Group, a world leader in natural gas with a broad portfolio of business interests focused on exploration, production and liquefied natural gas (LNG), entered Australia in 2008 via an alliance with QGC. BG Group ultimately acquired QGC in 2009 after a successful drilling campaign led to the decision to develop a multi-train LNG project. The QCLNG project was sanctioned in late 2010. Subsequently, BG Group sold certain additional interests in the project to joint venture partners, China National Offshore Oil Corporation (CNOOC) and Tokyo Gas.

Overall, the first phase of the QCLNG project involved:

- Drilling more than 2 600 production wells
- Building 17 field compression stations, four central processing plants and two major water treatment plants in the Surat Basin
- Laying a 540-kilometre pipeline from the Surat Basin to Curtis Island
- Constructing an LNG plant on Curtis Island, comprised of two production units (trains) with a combined capacity of 8.5 million tonnes per annum
- Delivering a comprehensive Social Impact Management Plan (SIMP) which invested approximately \$1 billion in major infrastructure including roads, temporary accommodation and around \$150 million in community benefits shared among 500 community-based, not-for-profit organisations
- Employing a total workforce which peaked at 14,500 in late 2013
- Extensive commitments to environmental programs, offsets, biodiversity management and protection and compliance to fulfil our environmental duty of care throughout planning, construction, operations, decommissioning and rehabilitation
- Producing beneficial water used by agriculture, industry and town supplies from our two Water Treatment Plants which since 2011, have generated over 21 500ML for use by irrigators, industry and communities in the Surat region
- Prioritisation of safety for our people, contractors and communities.

In December 2014, QGC became the first operation in the world to produce LNG from natural gas sourced from coal seams. We continue to also meet domestic gas supply commitments under long term contracts. In November 2015, BG Group and its joint venture partners, announced a project known as Charlie as the next phase in the continuous development of QGC's tenements to sustain natural gas production. This project involves well development, a field compression station and associated infrastructure and is expected to employ a peak workforce of 1,600 jobs.

3.0 Building Partnerships with Landholders

QGC's respectful and constructive relationship with our landholders has underpinned the successful development of the QCLNG project. As at 31 December 2015, we had entered over 2,100 land access agreements. We place a high value on maintaining landholder relationships through trust, integrity and the open, honest and two-way flow of information.

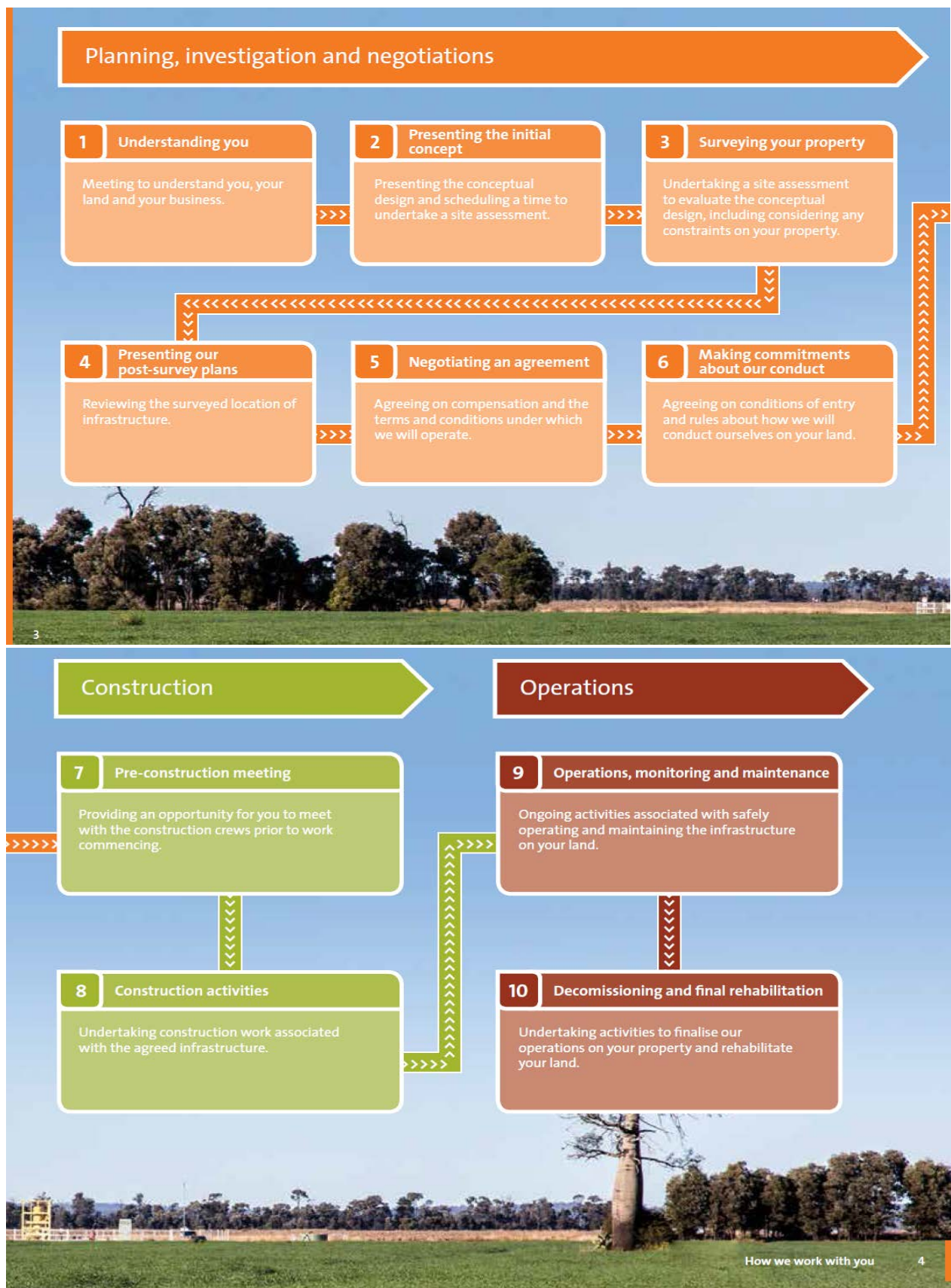
We have developed detailed and thorough policies for working with landholders to ensure we minimise our impact and give landholders a strong voice in ensuring our work co-exists with their individual requirements.

The key principles of our Land Access Strategy are:

- QGC values the co-existence of agricultural, pastoral and natural gas industries, and we are committed to being a good neighbour in everything we do.
- We negotiate in good faith to agree compensation and access rules with landholders.
- We go above and beyond compliance with Queensland's *Petroleum and Gas (Production and Safety) Act 2004 (Qld)* to reach voluntary access agreements.
- Landholders have the ability to negotiate on terms and conditions of the access to their land, as well as the level of compensation to be paid for this access.
- QGC encourages landholders to seek legal advice to ensure their informed consent and will cover the reasonable costs of legal, valuation and accounting advice throughout the negotiations.
- QGC's compensation agreements always include a significant commercial premium in addition to statutory compensation payments.
- We respect that our relationship with landholders is a long-term prospect of 15-20 years in line with the life of the wells or infrastructure on their property. The individual relationship between QGC and the landholder as well as our behaviour on neighbouring properties and in the community are all important.
- We seek to minimise the effects of our operations on landholders and make a positive contribution to the protection of the environment. We run our business in accordance with all government regulations, industry standards and the access rules that we agree with landholders.

While there is a transparent and clear process involved, there is no one-size-fits-all approach. We work with landholders to listen to their questions, provide detailed information and proceed to the next steps only after full consultation. The pathway outlined in the following illustration provides an overview of the process but the timing of each stage is unique to each landholder.

Figure 1. Landholder Engagement Process



3.1 Forming a Conduct and Compensation Agreement (CCA)

The 'Planning, Investigation and Negotiation' phase of the engagement process takes a methodical and collaborative approach to planning for infrastructure on landholder properties. This phase is centred on a comprehensive process of information gathering and feedback.

An initial consultation is held with the landholder at the conceptual stage of design. At this early stage, QGC provides an overview of activities considered for the property and seeks to understand the way the land is used by the landholder, how they operate their business and any future plans.

This allows QGC to develop our plans while taking account of factors such as existing farm tracks, areas of personal or business significance, water flow, buildings or planned improvements. QGC considers these factors in conjunction with any additional social, cultural heritage environmental, engineering, construction and operational factors to produce a conceptual design.

Once the conceptual design process is complete, a QGC representative will meet with the landholder to take them through the proposed plans for the property by providing a map showing the initial design layout. At this stage, QGC works with the landholder to schedule an appropriate time to undertake survey work.

A team of technical experts visits the property to conduct an on-site review of proposed infrastructure locations. The survey team will assess environmental, construction or cultural heritage constraints that can only be evaluated on the ground. We invite landholders to participate in the survey and explain any property information that is important to them. This is an opportunity to provide input into infrastructure location. The survey findings are then used to verify the location of proposed infrastructure and allow for detailed engineering design work to begin. Once detailed engineering design is complete, QGC presents the post-survey map to the landholder as an opportunity to review the layout in detail.

QGC provides the post-survey map to a Certified Practicing Valuer along with additional information obtained from previous consultation on grazing and farming practices so that the valuer can understand the potential impacts of CSG development. QGC instructs an independent Certified Practicing Valuer to determine compensation according to the *Petroleum and Gas (Production and Safety) Act 2004* (Qld). The factors considered within an assessment for CSG development are:

- Value of the property
- Areas of proposed CSG infrastructure
- Diminution in value to direct areas and indirect areas of impact
- Disturbance during construction.

Sales of similar properties in the local area are used as primary evidence to determine the value of the land.

Compensation calculations

In fundamental terms, the compensation payable to a landowner is assessed as the difference between:

- (a) The value of the property before the gas impacts; and then
- (b) What the market would pay for the property (on the basis of no further payments from the gas company and that the gas infrastructure is constructed).

Compensation is also paid for any disturbance during construction. This is typically calculated on a basis of costs to mitigate the loss during the construction timeframe. For example, agistment may be used to mitigate production loss during construction for a grazing enterprise. Costs considered in this scenario are mustering, trucking, agistment fees, animal husbandry and travel time.

The value of compensation paid is confidential under the terms and conditions of the CCA unless the landholder agrees to waive this confidentiality.

Landholder Support

QGC acts to ensure landholders have access to support and advice during the negotiation process:

- **Legal advice:** QGC encourages landholders to seek legal advice to ensure their informed consent and will cover the reasonable costs of legal, valuation and accounting advice throughout the negotiations.
- **Alternate Dispute Resolution:** In the event an agreement cannot be reached, alternative avenues include a conference or an independent Alternative Dispute Resolution process.
- **Land Court:** As a last resort, either party may also apply to the Land Court to make a decision.

Once an agreement is made, landholders are welcome to contact QGC through their dedicated Land Access Consultant or through our toll-free 1800 number any time day or night.

3.2 Minimising the Impact of Natural Gas Infrastructure

Total footprint

On average, QGC's below ground and above ground infrastructure occupy a footprint which is less than 5% of the total area of our gas development fields. Outside the areas identified for our infrastructure, there is no land area impacted from use or development. As a result, our operations can co-exist alongside pre-existing land uses. The following two examples illustrate the footprint for developments in the Isabella Field and Matilda-John Field which are typical of our operations. In both cases, the total area impacted is less than 5% of the total area of land taking into consideration both above ground and below ground infrastructure.

A further example is the development area for the Charlie project which spans 123,500 hectares overall although the actual development footprint represents a total of 2,500 hectares or 2% of the land area including QGC owned property.

Figure 2. Examples of Development Footprint

Area of Interest	Area (ha)	%
Isabella Field		
Field size	7,625	100
Above ground CSG infrastructure	202	2.65
Below ground CSG infrastructure	172	2.26
Total area impact	374	4.9
Matilda-John Field		
Field size	7,647	100
Above ground CSG infrastructure	160	2.1
Below ground CSG infrastructure	26	0.34
Total area impact	186	2.44

Coordinating with Landholder Property Uses

Similarly, the footprint of QGC infrastructure within landholder properties is carefully planned in order to sustain its use for commercial or private purposes. The following two case studies represent actual examples of planning undertaken with landholders in the Surat Basin to ensure the successful co-existence of agribusiness and natural gas operations.

Case Study 1 – Coordinating with a crop based agribusiness

QGC has a Conduct and Compensation Agreement for the construction and operation of 14 wells on this property which is also the site of a crop based agribusiness.

Infrastructure - Surface	Area (ha)	Infrastructure – Subsurface	Area (ha)
Wells	14	Gathering systems	9.91
Access Tracks	12.2		
Low Point / High Point Drains	0.023		
Workspace	0.07		
Area disturbed	26.29	Area disturbed	9.91
Per cent of property disturbed (Surface)	3.6%	Per cent of property disturbed (Subsurface)	1.3%

In getting to know the landholder involved and their operations, we learned of individual factors that needed to be considered in the placement of infrastructure:

- 7 centre pivots existed on the property with a total irrigable area of about 237ha.
- The property had plans for further irrigation development for 13 centre pivot irrigators, underground water irrigation pipes and computerised watering systems with a total irrigable area of 427ha.

Processed water is supplied from QGC's Kenya Water Treatment Plant under a water supply agreement with SunWater. The total annual allocation to this property is 3,000ML.

In surveying the property and discussing the plans with the landholder, we ensured gas infrastructure was strategically placed in areas that are not utilised for current or future irrigation purposes and occupies farm areas not used for cultivation production.

In this way, we ensured gas infrastructure does not interfere with the current operations of the property and any future potential irrigated land could be developed in co-existence with QGC infrastructure. There were no production losses to the landholder during the construction period.



Illustration 1. Aerial photo of the property showing the placement of gas infrastructure relative to cultivated land

Case study 2 - Coordinating with both cultivated and grazing Land

The second case study relates to a 470ha freehold property where approximately 340 hectares is developed for cultivation, and the balance is cleared grazing land.

Infrastructure - Surface	Area (ha)	Infrastructure – Subsurface	Area (ha)
Wells	10	Gathering systems	10.9
Access Tracks	4.96		
Low Point Drains	0.02		
Workspace	0.15		
Area disturbed	15.13	Area disturbed	10.9
Per cent of property disturbed (Surface)	3.2%	Per cent of property disturbed (Subsurface)	2.3%

In discussions with the landholder, it was clear that we needed to minimise the surface disturbance impacts of gas infrastructure on the cultivated areas. Placement of well pads was agreed with the landholder and strategically placed along boundary lines and on boundaries with grazing country. This ensures there is minimal disruption to GPS-driven cultivation practises allowing the landholder to continue established farming activities.

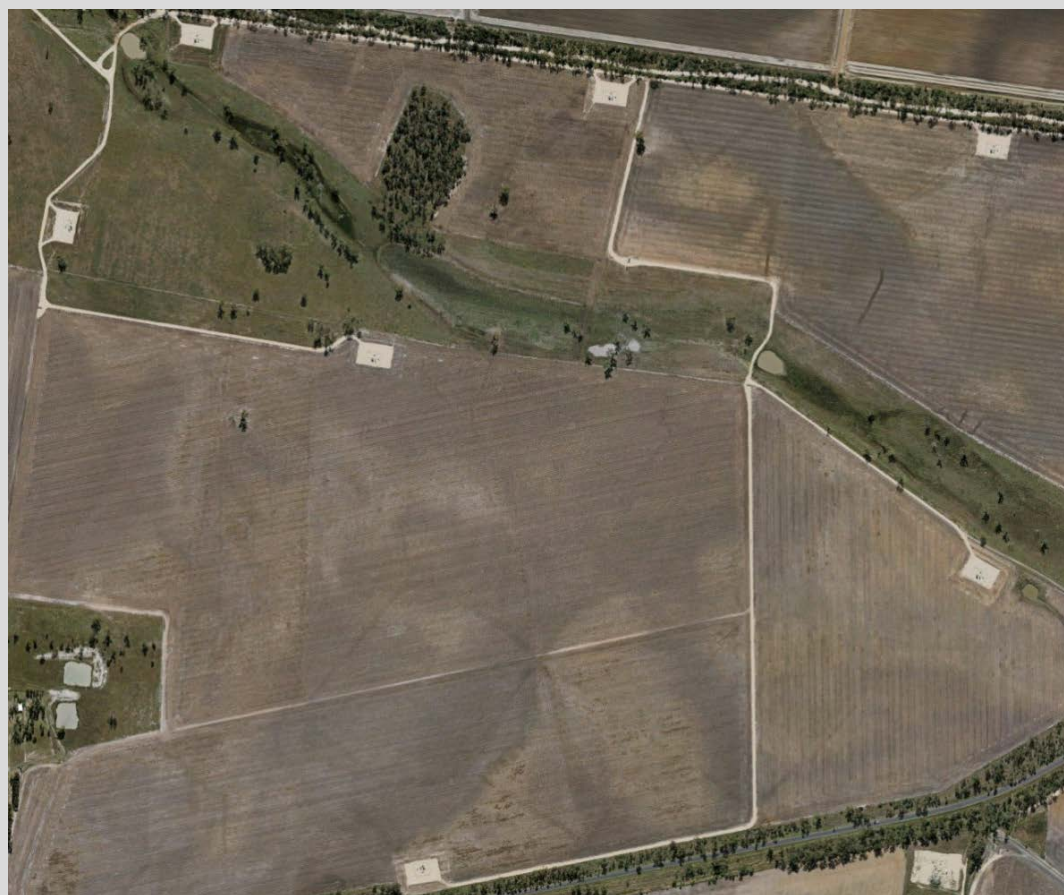


Illustration 2: Aerial showing gas infrastructure located to minimise disturbance to cultivated areas and placed along boundary lines of grazing land.

3.3 Influence on land values

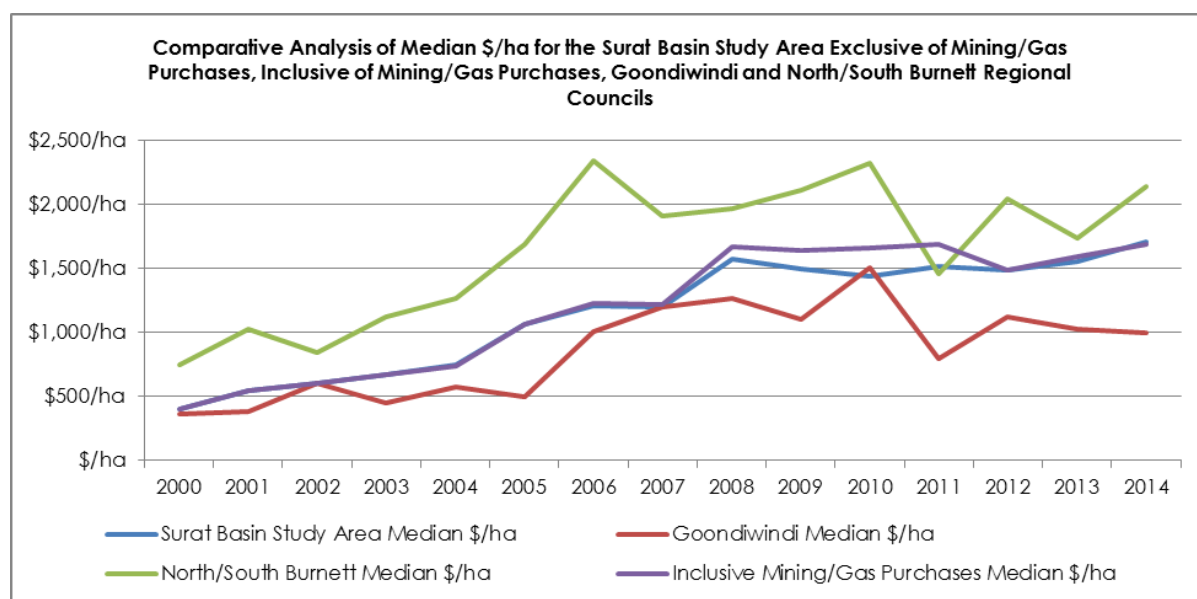
QGC has commissioned a series of studies by an independent valuer and property consultant into the rural property market within the Surat Basin. This series has assessed whether resource company (oil, gas or coal) activities were having a direct impact on the value of rural properties (that is, not including town residential properties) within the Surat Basin, compared to other areas where no or little resource activity exists. This study was undertaken in 2012, 2013 and 2015.

The study area covers 5.2 million hectares including significant parts of the Western Downs Regional Council area, and parts of the Banana, Central Highlands, Toowoomba and Maranoa local government areas. The area includes current petroleum leases, petroleum lease applications and mining areas. Two areas with no or little oil, gas or coal activity were selected for comparison: the local government areas (LGAs) of Goondiwindi and North & South Burnett.

The 2015 report for the year ended December 2014, found there were no discernible negative impacts on land values throughout the study area, due to the activities of resource companies.

Since 2012, land values in the Goondiwindi LGA have remained relatively stable, trending slightly downwards while the North & South Burnett LGA has seen volatile market conditions. This is in contrast to the Surat Basin study area where the market has remained steady with volume and values showing slight increases. All three regions of Goondiwindi, North & South Burnett and the Surat Basin study area are broadly following the same sales volume trends (exclusive of mining and gas related purchases).

Figure 3. Comparison of land values in regions with and without resource industry activity



The independent consultant indicated the following reasons why the Surat Basin study area had not experienced market volatility or a decrease in value:

- There were new purchasers wanting to take advantage of the benefits from mining/gas activity, for example owners of gas service companies who also have agricultural enterprises and opportunities for farmers to utilise recycled water for irrigation;
- Landowners whose properties were purchased by mining and gas companies are repurchasing in the same area; and

- Competition amongst landholders whose properties have been purchased by mining and gas companies for quality properties in good locations is strong. These landholders appear willing to meet vendor expectations and repurchase quality properties at market values close to 2007/08 levels when the market peaked.

Sales volume data and anecdotal information from local agents was obtained and there is no evidence that properties are taking longer to sell in the Surat Basin study area compared with other regions.

The report also found that in the case of properties with pending gas infrastructure, the purchaser indicated they did not discount the value of the property for this future gas activity.

Case study 3 - Value of QGC Land

QGC is a substantial landholder in the Western Downs having acquired around 74,000 hectares across the Surat Basin. The properties within the portfolio support both grazing and cultivation. They also feature wells and/or associated pipeline and gathering infrastructure for the natural gas from coal seams sector. They demonstrate the ability for agriculture and resources industries to co-exist within the region and to mutual benefit.

In 2015, QGC undertook a process to offer by tender the management of 40 properties covering 70,000 hectares under long-term lease agreements. The level of interest and demand for this land reflects the value of the property and its potential for sustainable agricultural and pastoral uses.

We received 43 expressions of interest and 19 bids for the properties which were divided for offer into six geographic zones. All tenders were seriously considered against the evaluation criteria by an independent agri-economist for management of one, some or all of the properties. Ultimately, Stanbroke, a leading Queensland pastoral company and the world's largest privately-owned, vertically integrated beef company, was awarded leases over the portfolio.

Stanbroke will run QGC's properties according to agricultural best management practices to ensure their long-term sustainable use.

4.0 Water Management

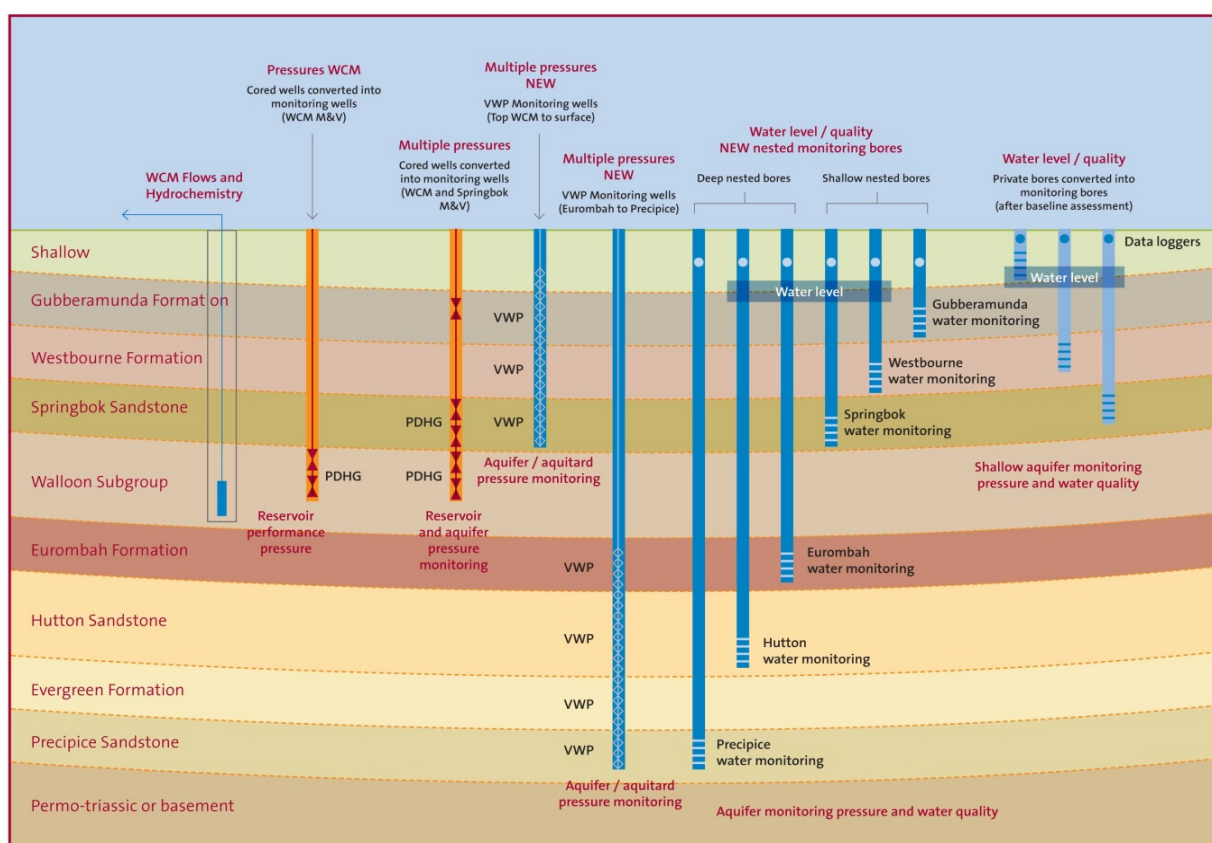
Natural gas in coal seams is held in place by the pressure of groundwater. When bringing gas wells into production, this water is pumped to the surface by wells, relieving this pressure and allowing gas to flow.

Since 2011, QGC has invested more than \$1 billion on water-related treatment facilities, research, modelling and management including more than \$120 million on groundwater research and monitoring in the Surat Basin to support sustainable water management practices. When combined with research undertaken by other CSG companies, the Surat is one of the most intensively studied groundwater systems in the world.

4.1 Groundwater Monitoring

QGC produces gas from the Walloon Coal Measures (WCM) in the Surat Basin, approximately 300 to 800 metres below ground. They form part of a complex sub-surface system of geological and hydrogeological formations which are subject to extensive monitoring for water levels and quality.

Figure 4. Sub-surface layers within the Surat Basin and monitoring systems



Above and below the Walloon Coal Measures are geological formations known as aquifers and aquitards. Aquifers are typically sandstone formations that have high porosity and permeability,

allowing water movement within the formation. Aquitards are generally mudstone and siltstone, with low porosity and permeability. Water movement within these formations is usually very limited.

We have a comprehensive water monitoring program that is thorough and transparent, with the data for each of our groundwater wells published online and provided to the Queensland Government (<http://watermap.qgc.com.au/>). To date, summary data shows there has not been wide-scale dewatering of Great Artesian Basin aquifers due to gas production. The data shows that water levels in groundwater monitoring bores is highly variable – some exhibit a decline while others exhibit an increase. These trends have been observed both in areas with gas production and in areas with no history of gas production.

The factors influencing groundwater level trends are complex involving both naturally occurring impacts such as weather patterns and aquifer connectivity, as well as extractive uses. Given this complexity, the groundwater network therefore requires continual investigation and monitoring. QGC's monitoring network measures and records groundwater pressure and quality and helps us to understand and manage any impact associated with our activities.

In 2015, we completed construction of Phase 1 of our network of groundwater monitoring bores as specified and mandated by the Office of Groundwater Impact Assessment Underground Water Impact report (UWIR 2012). It comprises the majority of our groundwater monitoring infrastructure (54 wells) mainly drilled in operating areas. The results from these monitoring bores are providing confidence that the health of the groundwater system is being maintained.

This data is included in the range of interpretive [reports and studies](http://www.bg-group.com/827/sustainability/environment/water-management/groundwater-and-geology/reports/) (<http://www.bg-group.com/827/sustainability/environment/water-management/groundwater-and-geology/reports/>) which demonstrate QGC's understanding and responsible management of the water resources of the Basin.

Phase 2 of the groundwater monitoring network comprises the installation of an additional 10 wells, to be completed in 2016 in areas bordering the producing fields.

Overall, our monitoring points are part of a regional monitoring network implemented by CSG operators in the Surat and Bowen Basins, contributing to an improved understanding of how water moves through and between underground aquifers.

The final report can be accessed at:

https://www.dnrm.qld.gov.au/_data/assets/pdf_file/0016/31327/underground-water-impact-report.pdf

Under Queensland legislation, gas companies are permitted to extract groundwater during gas production. With this ability to extract groundwater comes the obligation to treat the water for beneficial use and to 'make good' any impact on existing water users.

4.2 Water treatment

The naturally occurring water extracted in gas production is brackish and does not meet drinking water, irrigation or stock water standards. Our water treatment infrastructure ensures the water is safely released to the environment for beneficial use by local farmers, industry and communities.

Providing the highly treated water to local water supply schemes reduces irrigator reliance on rain and natural water flows which in turn, takes the pressure off these river systems. It makes more clean water available for environmental flows and riverine ecosystems. This also augments the region's water supplies providing increased water security to local farmers and irrigators.

We aim to recycle 97% of the water extracted from the Walloon Coal Measures. Since January 2011, we have produced around 70,000ML – or about 28,000 Olympic swimming pools – of water using reverse osmosis technology and made this water available for beneficial use.

At the end of the treatment process, water quality is checked and natural minerals are added to ensure the treated water quality is in line with the background levels in the respective watercourses used to facilitate beneficial use – Chinchilla and Glebe Weirs. SunWater, a government-owned bulk water infrastructure developer and manager, distributes the treated water as part of their current local water supply schemes and in accordance with Beneficial Use Approvals which are accessible on the SunWater website. In our central area, the water is supplied directly to farmers located along the pipeline from our Kenya Water Treatment Plant and into the Chinchilla Weir. The water supplied to SunWater from our Northern Water Treatment Plant flows into the Glebe Weir and supports the Dawson River Water Supply Scheme.



Illustration 3. Chinchilla Weir which receives water extracted during gas production and treated for beneficial use by irrigators, industry and communities.

4.3 Make Good Agreements

OGIA produces an UWIR every three years specifically to identify existing groundwater bores where the water level in the bore is predicted to fall by more than five metres (known as the Immediately Affected Area). In these cases, the gas companies are required to enter into Make Good Agreements with landholders.

QGC has met its obligations under the 2012 UWIR and is committed to meeting its obligations under the next UWIR due to be released in 2016.

It is estimated that there are 670 landholder water bores in QGC's area of operations. Under the 2012 UWIR, QGC 25 bores were identified as requiring make good for the period from 2012 to 2015. QGC has decommissioned and rehabilitated 14 bores to date and has a plan in place to complete the remaining 11 bores.

In addition, QGC has worked voluntarily with a number of landholders to assess the capacity of their bores when they have experienced difficulties.

5.0 Environmental Management

The submission to this Inquiry by APPEA provides a comprehensive summary of the legislation and regulation governing environmental management within our industry. We do not propose to repeat this detail in this submission.

We would like to emphasise and demonstrate that our environmental principles include acting beyond compliance with environmental legislation to meet internationally accepted best practice.

QGC is committed to working sustainably and with respect for the environments in which we work and we report transparently and extensively on our progress. We aim to make a positive contribution to the protection of the environment and reduce to the minimum practicable any adverse effects of our operations on the environment.

In order to demonstrate ‘beyond compliance’ standards, we have sought international certification for our Environmental Management System (EMS) for the Surat Basin operations.

The International Organisation for Standardisation (ISO) is an independent, non-governmental, international organisation which develops world-class specifications for products, services and systems to ensure quality, safety and efficiency. It helps organisations improve their environmental performance through more efficient use of resources and reduction of waste, gaining a competitive advantage and the trust of stakeholders.

ISO 14001

“An environmental management system helps organisations identify, manage, monitor and control their environmental issues in a ‘holistic’ manner.

ISO 14001 is an internationally agreed standard that sets out the requirements for an environmental management system.

It requires that an organisation consider all environmental issues relevant to its operations such as air pollution, water and sewage issues, waste management, soil contamination, climate change mitigation and adaptation and resource use and efficiency.

Like all ISO management system standards, ISO 14001 includes the need for continual improvement of an organisation’s systems and approach to environmental concerns.”

Source: iso.org, “ISO 14001 Key benefits”, 2015

QGC is the only natural gas company in Australia to receive certification under ISO 14001 for environmental management systems. Our EMS was certified through a rigorous process conducted by independent certifier Lloyds Register Quality Assurance. This required QGC to demonstrate that we have operational controls in place to manage risks to the environment from our operations.

Using ISO 14001 provides assurance to government, regulators, the community and our management and employees that strict operational controls are in place for managing, measuring and improving environmental impact or risks.

The EMS currently covers well development, power stations, central processing plants, field compression stations, well operations, water treatment, camps and offices in Brisbane and Chinchilla, as well as all workshops and warehouses. We are also working to bring our environmental management system for our operations at the Queensland Curtis LNG facility near Gladstone under this certification.



Illustration 4. Part of the landscape of the Monte Christo Biodiversity Project on Curtis Island; a former cattle property which is now a 25,000ha National Park and bio-conservation region for Queensland. The project is 100% funded and protected by a partnership between the three LNG operations on Curtis Island, including QCLNG, and the Queensland Government. Nearly two thirds of Curtis Island is now set aside for environmental conservation compared to just over 2% used for the industrial precinct.

6.0 Social Impacts

Between 2011 and 2014, QGC delivered one of the most substantial private investment programs in Queensland's history through our Social Impact Management Plan (SIMP). Since then, QGC has managed a voluntary social investment program which continues to deliver benefits to communities through a focus on Science, Technology, Engineering and Maths education (STEM), regional liveability and enterprise development.

6.1 Social Impact Management Plan

The QCLNG SIMP set out QGC's commitments to mitigating the project's social impacts and enhancing benefits across the project area between January 2011 and December 2014. The scope and scale reflected the size of the project across regional communities from the Surat Basin to Gladstone and along the pipeline connecting these regions.

We have fully delivered on the 94 commitments made under the SIMP in 6 areas of focus:

- Employment and economic development
- Community safety, health and social infrastructure
- Housing
- Road and marine traffic management
- Indigenous participation
- Land use management

The implementation of programs involved investments totalling about \$1 billion in Queensland communities. The majority was committed to roads and workforce accommodation. Significantly, we also invested \$150 million in community projects, benefitting around 500 community-based, not-for-profit organisations. Many of our investments have benefitted public assets in regional Queensland including:

- \$3.5 million invested in the Gladstone Hospital enabling thousands of treatments annually in a new renal dialysis centre and improved operating theatre resources
- \$1.3 million invested in the Chinchilla Connexions Centre for social service delivery
- More than \$600,000 invested with Queensland Fire and Emergency Services for infrastructure, equipment and other resources for rural fire brigades in the Western Downs region
- Upgrades to airport infrastructure and safety in Chinchilla (\$4.7 million) and Gladstone (\$3.5 million)
- \$150 million invested in upgrading, maintaining or repairing public roads in the Western Downs and Gladstone.

Importantly, this work was undertaken in a spirit of co-existence, with respect for the Traditional Owner groups from the lands upon which we operate and with a genuine intent to make a positive difference.

For a full summary of QGC's Social Impact Management Plan for the QCLNG project, see Appendix B.

Case Study 5 – Investment in Community Health

The health sector is a major focus area of community-based SIMP programs as well as voluntary sponsorships and donations. These have resulted in around 20,000 additional hospital treatments, specialist consultations (including mental health) or aeromedical retrievals made possible through QGC support. A summary of our major partnerships is shown in the table below.

Partner	Project	Investment
University of Queensland Centre for Online Health and Uniquet	Health e-Regions - Telehealth infrastructure and service coordination	\$2.4 million
Queensland Health	Gladstone Hospital Upgrade	\$3.5 million
Lifeline Darling Downs South West Queensland	Western Downs Counselling Project	\$1.4 million
Murri Health Group	Tara Community Outreach Medical Service	\$1.2 million
Goondir Health Services	Goondir Health Staff and Board Member Training Program	\$166,350
CareFlight Group Queensland	Surat Gas Aero-Medical Service and Curtis Island, rotary wing aeromedical evacuation service	\$21.1 million
The University of Southern Queensland	Nursing Bursary Program	\$100,000

Our flagship partnership in this area is *Health-e-Regions* which is a whole-of-community program for the planning, establishment and maintenance of a comprehensive network of telehealth services. The program connects metropolitan based health specialists to rural and remote residents in Dalby, Chinchilla, Miles, Tara and Wandoan.

Specifically, patients are connected to specialists at hospitals in Toowoomba and Brisbane via video-conference and webcast technology, thereby reducing the need for long-distance travel for consultations.

QGC is working in partnership with the University of Queensland's Centre for Online Health to deliver this initiative, with support from the Queensland Department of Health and the University's research commercialisation company, UniQuest Pty Limited.

QGC's substantial investment in Health-e-Regions has significantly improved the local community's access to specialist health services, and has provided improved telehealth capacity in hospitals and GP offices, as well as specialist services (RES-e-CARE) into residential aged care facilities.



In 2015, the Health-e-Regions program was expanded to provide speech pathology services to students at Tara Shire State College, a Queensland first. During the first year of the project teachers and parents reported excellent results, including improvements in students' ability to communicate, their confidence, and their interaction and behaviour in class.

During 2016, this speech pathology program in schools will expand with schools in Tara, Chinchilla, Miles and Wandoan.

The Health-e-Regions program has also facilitated the publishing of research materials to contribute to the national discourse on telehealth best practice.

Illustration 5. Students the Surat Basin are benefitting from specialist speech pathology services via telemedicine infrastructure in schools provided through a partnership between QGC and the University of Queensland Centre for Online Health and Uniquet.

6.2 Voluntary Social Investment Program

With the close out of commitments under the SIMP in 2015, QGC has developed a voluntary social investment program as part of our continued commitment to support the communities in which we operate. Our vision for the program is to contribute to strong, diversified economic growth and sustainability in the communities. The program focuses on three key themes that align with the needs of communities, our business and industry revealed through consultation and engagement with key stakeholders. These are:

- STEM education: which aims to develop positive attitudes towards STEM and improved student participation and performance
- Supporting enterprise development: particularly focused on building the capacity of regional business networks to support new and expanding small to medium sized enterprises and entrepreneurialism
- Enhancing regional liveability: to develop capable and sustainable regional services particularly focused on community safety and health.

In addition to the Health-e-Regions partnership, our other flagship program is a \$4 million, 3-year partnership with the Queensland Museum Network called *Future Makers*. This is a unique program which aims to create a whole-of-life approach to STEM education in Queensland. There are four program areas which connect activities focused on Prep to Year 12 curriculum with family and community participation. Another key initiative is the QGC Communities Fund which provides grants of between \$10,001 and \$50,000 to community organisations for programs of up to 12 months' duration. During 2015, 29 grants with a total value of around \$805,000 were committed.

7.0 Economic Impacts

We support the long-term, economic sustainability of the regions in which we operate through a focus on local content participation.

As part of a global business, QGC defines 'local' first as Australia. However, we recognise that our stakeholders have an interest in and a capacity to participate on a community, region and state level. Accordingly, we manage and monitor local content across this geographic span. Our goals are to:

1. **Support Competitive Procurement:** Actively encouraging our business and contractors to source quality, cost effective goods and services locally based on full, fair and reasonable opportunities to participate in our supply chain and build mutually beneficial business relationships
2. **Facilitate Job Creation:** Developing people for meaningful careers within our workforce or our industry as employees or contractors
3. **Promote Reconciliation:** Facilitating access for Aboriginal and Torres Strait Islander people and organisations to business and employment opportunities within our business and supply chain.
4. **Build Economic Sustainability:** As a catalyst for the development of regional economies which feature industry diversity, long term sustainable jobs and businesses, and liveable communities which attract and support skilled workforces.

Case Study 6 – Local Content Participation



"Working with QGC has meant further growth in my company, further employment opportunities for locals and hopefully further growth into the future. Since securing a long-term contract with the company, I've found it viable to employ a young apprentice, a local Tara boy."
Pat Philp, owner-operator of Pat's Diesel Service, Dalby, which has worked with QGC since 2005.

7.1 Procurement

During the initial phase of QCLNG project construction, local supply chain participation was managed under programs complying with the Queensland Government's Local Industry Policy and associated guidelines through an Australian Industry Participation Plan.

In 2013, QGC participated in the development of the Queensland Resources Council Code of Practice for Local Content and has since submitted voluntary reporting under this code annually.

Data reported for the 2013 -2015 financial years shows:

- Greater than 90% of annual procurement of goods and services for both operational and capital expenditure has been sourced in Australia and greater than 70% has been with suppliers in Queensland
- On average, around 7% of total procurement has been invested with suppliers located in 8 local government areas in regional Queensland where operations are located
- 1,700 companies based in Australia had contracts with QGC in 2015 of which almost 700 were located in the operating regions.

7.2 Employment

As shown in the figure below, QGC engaged 1,554 permanent employees and contractors and more than 5,000 third-party or project contractors in the 2015 financial year. Of our direct operational employees:

- 27% of the Surat Basin gasfields team lived within the region
- 90% of those working on Curtis Island resided within the Gladstone region.

At the peak of construction for the QCLNG project in late 2013, the workforce totalled 14,500. As at June 2015, this had reduced to 6,700. Now into the next stage of development, the Charlie project, we are ramping up a project workforce expected to peak during 2016 at 1,600.

Figure 5. Total Workforce 2013 – 2015 (as at 30 June)

Employment category	2013 (No.)	% of total	2014 (No.)	% of total	2015 (No.)	% of total
Employees	1,844	16%	1,853	18%	1,554	23
Operational Contractors	9,721	84%	8,547	82%	938	14
Project Contractors					4,268	64
Total Workforce	11,565	100%	10,400	100%	6,760	100%

Case Study 7 – Strengthening Local Workforces Program

This partnership program ran from 2012 to 2015 as part of the SIMP and was designed to support local non-CSG businesses and residents to address labour shortages and the potential local skills drain due to the CSG construction projects. It also sought to increase income and employment opportunities for local people in sectors outside of the resources industry.

The \$3.5 million program was implemented by not-for-profit organisation, Busy at Work. Their officers based in Dalby, Chinchilla and Gladstone facilitated apprenticeships and traineeships at local businesses and mentored program participants to optimise future employment success.

The program successfully placed over 300 local people into apprenticeships and traineeships, and guided nearly 100 of these through to completion over three years. Placements took place across a number of industries including administration, mechanical, hospitality and butchery.

At least 70 local businesses, outside of the CSG, industry benefited from the success of the program.



“Working with QGC has allowed our business to grow. We put on an apprentice in 2011 and we signed her up under the QGC Strengthening Local Workforces Program, a partnership with Busy at Work.”

Jackie Mannix, Manager of Gladstone Printing Services, which has worked with QGC since 2011.

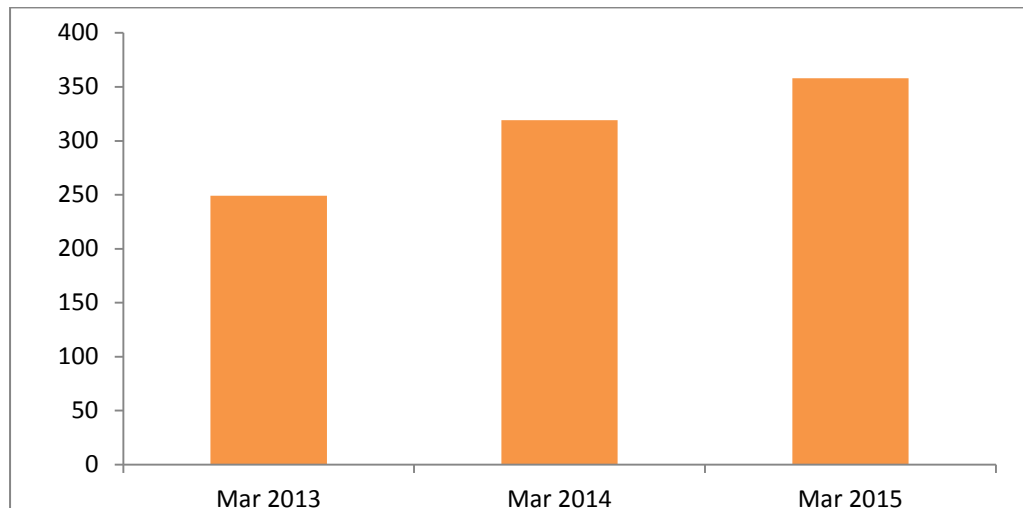
7.3 Indigenous Participation

The QGC Aboriginal and Torres Strait Islander Employment Training and Business Development Strategy has driven results against commitments in our Reconciliation Action Plan and Indigenous Land Use Agreements.

From a business development perspective, Indigenous-owned corporations have succeeded in winning contracts with QGC valued at over \$45 million in recent years. We work with these corporations to facilitate joint ventures, provide governance and business coaching and create networks within the company. A further initiative between QGC and Aboriginal Enterprises in Mining, Exploration and Energy (AEMEE) in 2015 has captured learnings from QGC and other resource sector companies to develop a procurement guide documenting good practice principles and recommendations for increasing participation of Aboriginal businesses in the sector.

From an employment perspective, we work to create sustainable job opportunities both directly with QGC and indirectly through our major contractors through the development of Indigenous Participation Plans (IPPs). By mid-2015, we reported 358 employees and contractors in our workforce identifying as Indigenous.

Figure 6: Indigenous Employment (number)



QGC continues to support school-based and technical training programs to build competencies in driving, construction, conservation and land management, heavy machinery operation and electrical trades as well as mentoring programs for young people such as Safe Sista. We also continue to support the Indigenous Workstars online database to assist with recruitment. This online service:

- Has interviewed and screened over 10,000 participants and inputting all job seeker information into a database
- Provides ongoing management of the database of Indigenous candidates who have been pre-screened and categorised according to job readiness
- Offers recruitment services and for the provision of suitable Indigenous candidates to QCLNG contractors
- Assists candidates to prepare for job interviews
- Provides QGC with quantitative and qualitative data in relation to QGC candidates in the Indigenous Workstars database and all candidates that have been recommended for QCLNG jobs

We acknowledge the support and collaboration of major contractors in helping achieve these results. One example is civil contractor, Ostwald Bros, who partnered in supporting a plant operator training and employment program. This successful program received the prestigious 2015 Australian Supply Chain and Logistics Award for Training, Education and Development.

Case Study 8 - Thorn Hill Training Centre



Illustration 5. Trainees at the opening of the Thorn Hill Training Centre, outside Gladstone.

QGC has actively invested in long-term training and employment opportunities for Indigenous people through the construction of the Thorn Hill Training Centre located outside Gladstone and opened in late 2015. The Centre provides structured training that incorporates personal and professional skills development activities, including job readiness, life skills and accredited vocational training that provides a pathway for Aboriginal and Torres Strait Islander people to gain employment in the CSG construction and asset maintenance industries.

Construction of the training centre was delivered through the Gidarjil Development Corporation, which is a local Indigenous Traditional Owner business.

QGC worked with Gidarjil to develop a project plan for the development of the Centre. We provided \$800,000 in funding to support construction and a further \$130,000 to employ a project coordinator with Gidarjil. Other partners in funding the project were Origin Energy and Gidarjil.

The Project Coordinator will continue to assist with post-construction activities including marketing the centre to the construction and maintenance markets, and encouraging Aboriginal and Torres Strait Islander communities to participate in the training centre's programs.

APPENDIX A. Response to submissions

The Select Committee on Unconventional Gas Mining has advised QGC of the following written submissions that contain comments relating to the QGC:

- Submission 12 (Dr Geralyn McCarron)
- Submission 28 (Mr & Mrs Nood and Narelle Nothdurft)
- Submission 30 (Ms Kylie Hauesler)

Responses to the above submissions and issues raised at the Committee's Public Hearing in Dalby (17 February 2016) by the above contributors and Mr Lindsay Boyle are provided below.

SUBMISSION 12

Dr McCarron makes several specific allegations relating to QGC. These allegations include:

Allegation 1:

"Immediately to the west of Brentleigh Park gas facility there are rural residential blocks. There are multiple blocks mapped, but only three family homes, of which two have had continuous long-term occupancy. In 2006 QGC build a huge unlined pond on one of these families property. This was a massive 3.9 hectare pond holding 3ML. In theory it was meant to hold the flowback from one well on the property 800metres from the home. However QGC went on to drill more wells at Brentleigh Park but did not have a pond there, so ran an overground pipeline from Kenya east 3 and other wells, and for years pumped drilling waste into this unlined pond. In 2012 they decommissioned the pond and sucked out the sludge in 2013. The family asked for results of tests taken to confirm safety after decommissioning, and to date have received nothing. In 2005 the family had been given rights to use the water in the pond: In 2009 QGC revoked their rights to use the water." (p5)

QGC Response:

Dr McCarron's allegation is incorrect. Decommissioning on the pond was completed in early 2014. QGC intends to formally handover the pond to the landholder, at their request, provided the terms of the handover can be agreed between QGC and the landholder. QGC continues to work cooperatively with the landholder on developing the terms for the handover.

Allegation 2:

"Radioactive sources have used inappropriately on farmland in the Darling Downs, and the landholder on whose property this incident occurred was not even informed." (p15)

QGC Response:

Further Information about this incident is available on the public record in DNRm's *Petroleum and gas safety alert no. 65* from 29 October 2014. The alert outlines an incident where two workers were exposed to low levels of radiation when existing safety procedures were not followed. The incident prompted QGC to undertake a series of corrective actions. QGC's staff and contractors have obligations under the *Radiation Safety Act 1999 (Qld)* when carrying out activities involving radiation sources.

Allegation 3:

In what would appear to be a clear conflict of interest, the Queensland Government appointed QGC (British Gas) to both design and implement the environmental testing programme that was to inform the investigation. From the point of view of the gasfield residents, QGC was not only one of the

companies whose activities they associated with their health impacts, but the one who was geographically closest to most of them. The Queensland Government failed to organize a testing programme that was demonstrably scientifically independent and unbiased. (pp21-22)

QGC Response:

For the 2013 Queensland Government 'Coal seam gas in the Tara region report' published by Queensland Health ("the Queensland Health report"), QGC commissioned environmental monitoring of air, water and soil at nine residential blocks in the Wieambilla Estates near Tara.

Sampling was undertaken by SGS Leeder Consulting at various times across the nine blocks during 11 to 19 July 2012. Analysis and reporting of the results was undertaken by ERM. The ERM report was then provided to the Department of Health.

The Queensland Health report concluded that "a clear link cannot be drawn between the health complaints by some residents in the Tara region and impacts of the local CSG industry on air, water or soil within the community."

QGC undertakes a comprehensive sampling program for water, well head gas, air and noise from all QGC operational and exploration assets.

During the Public Hearing, Dr McCarron made reference to a March 2011 document entitled: "Appendix W.1, 'Fracking Chemicals Assessment Risk Assessment Report: Hydraulic Fracturing – Risk Assessment and Management Plan'". This document contains outdated information about QGC's plans and operations.

The document is available on our website (http://www.bgg-group.com/files/pdf/qgc/Appendix_W.1_Fracking_Chemicals_Assessment.pdf). This document was also submitted to the Department of Sustainability, Environment, Water, Population and Communities on 20 April 2011 as part of QCLNG's Stage 1 CSG Water Monitoring and Management Plan (WMMP) required under QCLNG's approval under the *Environment Protection and Biodiversity Conservation Act 1999*. An updated Stage 1 WMMP was submitted in October 2011. Stage 2 and Stage 3 WMMPs are also available on the QGC website: <http://www.bgg-group.com/827/sustainability/environment/water-management/groundwater-and-geology/reports/>.

The chemicals QGC uses during hydraulic fracturing are listed on QGC's website: (<http://www.bgg-group.com/793/qgc/sustainability/environment/environmental-operations/hydraulic-fracturing-and-chemicals-used/>). Hydraulic fracturing fluids consist mainly of 99 per cent water and sand. The remainder are commonly used compounds.

QGC does not currently use tetrakis (hydroxymethyl) phosphonium sulphate (THPS) during hydraulic fracturing. QGC tests and monitors the quality of water supplied to SunWater, which conducts further testing of water quality to ensure it meets regulatory requirements for discharge. The results are publicly available on the SunWater website.

SUBMISSION 28

QGC always negotiates in good faith with landholders. QGC encourages landholders to seek legal advice to ensure their informed consent and we pay the reasonable costs of legal, valuation and accounting advice throughout the negotiations. QGC has never made someone sign an agreement under duress.

In this particular case, the Nothdurfts purchased their property in 2003.

QGC was granted natural gas rights (ATP620) in 1996. Typical conveyancing searches would have revealed this at the time. QGC has had conduct and compensation agreements in place with the Nothdurfts for more than nine years. Recently, the Nothdurfts have refused to take or return calls from QGC and have locked the gates to prevent QGC accessing its infrastructure.

QGC has actively responded to the Nothdurfts complaints. To reduce noise for the Nothdurfts, QGC has voluntarily shut in six highly productive wells during night-time hours and upgraded 12 hydraulic power units. Over the last year, QGC's own noise monitoring and modelling has indicated short, intermittent periods of non-compliance, therefore QGC applied to the Department of Environment and Heritage Protection (DEHP) for a Transitional Environmental Program (TEP) committing to a range of actions to mitigate noise at the Nothdurft property. DEHP approved the TEP on 7 January 2016 and QGC is implementing the TEP. QGC has also offered to noise-proof the Nothdurft's home. This offer has not been accepted by the Nothdurfts.

The Nothdurfts have asked QGC to purchase the property. On 21 December 2015, Mr Nothdurft advertised the property for sale on Gumtree for \$3.5 million. The advertisement, see **Figure 1 below**, refers to the property as *"ideal for bed & breakfast"* and with *"income from 7 gas wells & assotiated [sic] infrastructure"*.

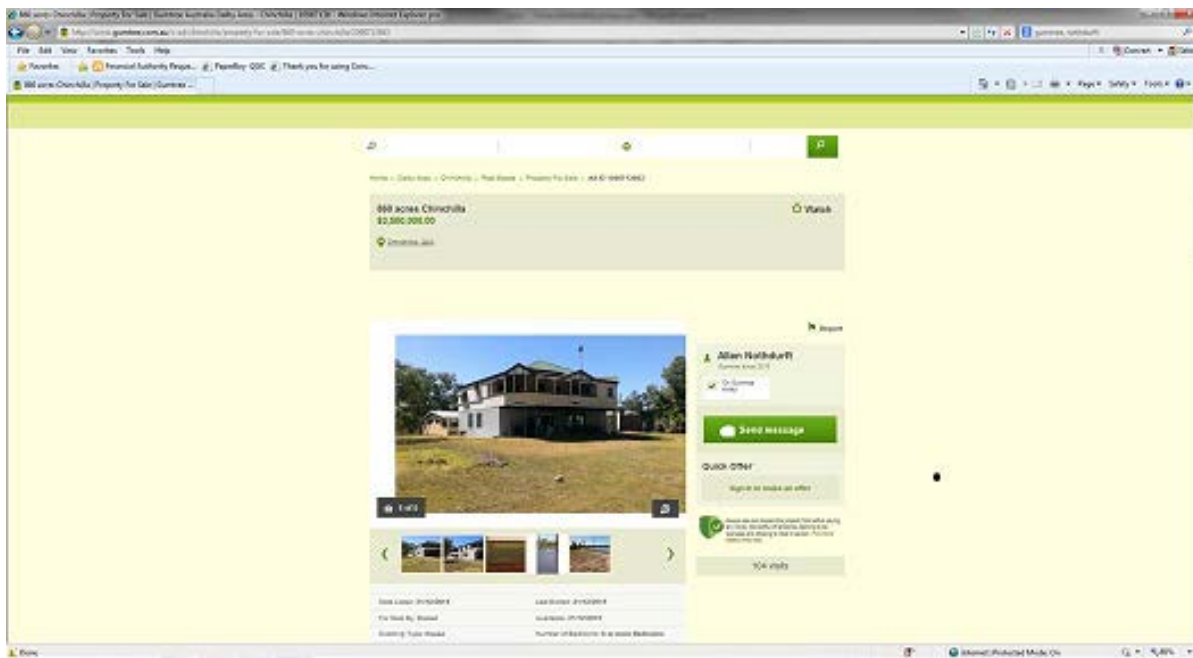


Figure 1 Screen shot taken on 21 December 2015 of property advertised on Gumtree

On or about 1 March 2016, the asking price for the property was raised to \$4.5 million as depicted in Figure 2 below:

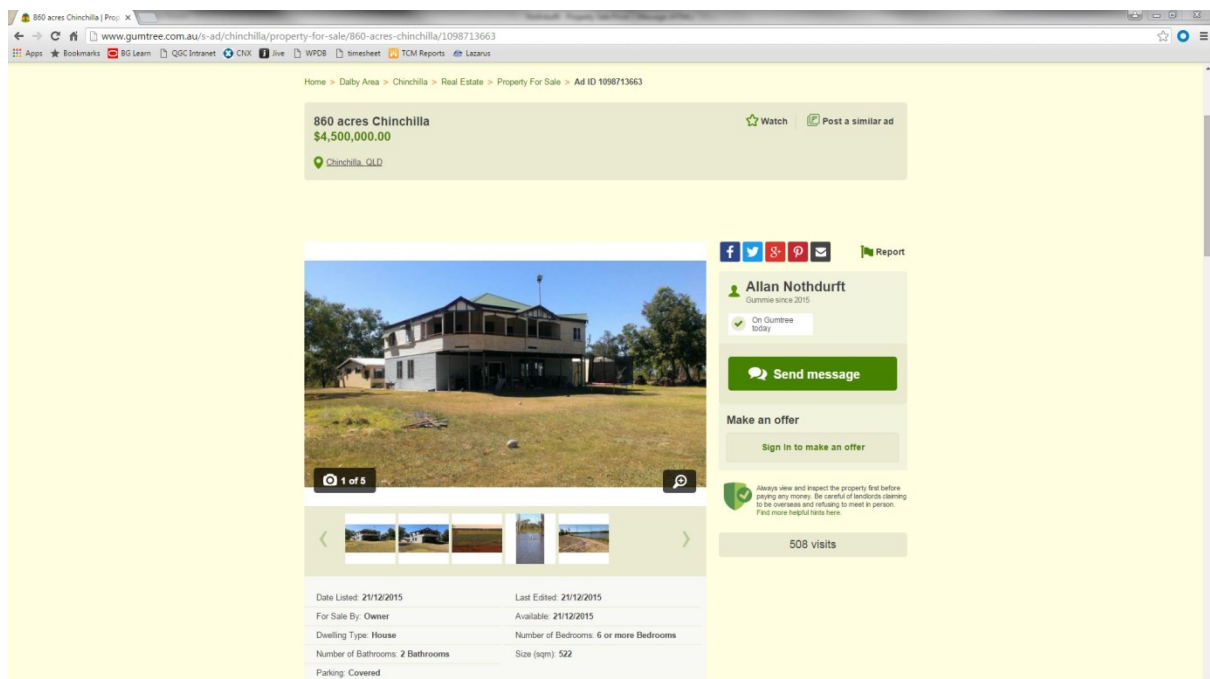


Figure 2 Screen shot taken on 1 March 2016 of property advertised on Gumtree

On 10 March 2016, the advertisement was no longer available on Gumtree and described the property as “sold”.

SUBMISSION 30

Ms Haeusler made a written submission to the inquiry which makes a series of complaints against QGC. Ms Haeusler has claimed that QGC forced her to sell the property.

Ms Haeusler and her former husband were owners of a property on Wieambilla Rd, Chinchilla. The property was the subject of a family law dispute with the Court ordering the property be disposed and the proceeds distributed to the parties to the dispute. Ms Haeusler and her former husband sold the property in June 2014 in accordance with Family Court orders.

LINDSAY BOYLE

There are five existing wells and associated gathering, as well as parts of the McNulty water trunkline and Gas Collection Header, on his property. Access to the property has been refused since at least December 2015, prior to which access was intermittently granted.

The following agreements are in place with Mr Boyle:

- A Conduct and Compensation Agreement (CCA) for 5 wells and associated access and gathering infrastructure.
- A CCA for the McNulty water trunkline.
- An easement agreement for the Gas Collection Header.

Mr Boyle entered into these agreements voluntarily and was provided access to legal advice to assist in negotiations. Since the first agreement was made with Mr Boyle in 2007 he has made many complaints to QGC.

Mr Boyle alleges that QGC had made a commitment to not install above ground infrastructure. QGC is unaware of any commitment of this nature. QGC acknowledges that above ground infrastructure was installed on Mr Boyle’s property, on the existing McNulty Water trunkline, without his consent. Negotiations regarding compensation for the above ground infrastructure are ongoing.

During a conference mediated by the CSG Compliance Unit in late 2014, Mr Boyle proposed an alternative mechanism for ensuring gates were locked. QGC agreed to consider alternative mechanisms. The alternative gate locking mechanism is being discussed as part of current negotiations with Mr Boyle.

Due to Mr Boyle conducting shooting on his property and contractors sometimes feeling threatened by Mr Boyle’s routine carriage of firearms, QGC provides Mr Boyle with 24 hours’ notice of time of access.

On 29 August 2015, Mr Boyle discharged a firearm while QGC’s representatives were on the property. Mr Boyle alleges that QGC did not give 24 hours’ notice in accordance with the land access rule in place for his property. This is incorrect.

QGC contacted Mr Boyle several times in the week leading up to 29 August 2015 to advise of pending access to re-connect a well (Bellevue 14). QGC understood that Mr Boyle and his family would be away from the property during that week. Heavy rainfall had prevented QGC from entering the property on two occasions earlier that week.

Mr Boyle was advised of both these proposed entry dates. Notice was provided to Mr Boyle indicating that entry would occur either on Friday 28 August or Saturday 29 August 2015 in the knowledge that Mr Boyle and his family would be away from the property.

Mr Boyle made the following comments during the Public Hearing:

- *“Somebody’s going to get shot on our place. They want control of the gates. If I give them control of the gates again somebody will get shot, because it is not the first time it has happened. It is about the fourth time somebody has nearly been shot.”*
- *“They just come and do what they want, so I am basically telling them now that somebody is going to get shot—take a number and stand up because I will shoot you.”*

The safety of people is QGC’s first priority. QGC has a duty of care to protect our workforce and the community at large and reports threats of violence to the Police.

APPENDIX B. Factsheet: Social Impact Management Plan

NEW NEIGHBOURS

The story of the integration of the Queensland Curtis Liquefied Natural Gas project (QCLNG) in regional communities.

QCLNG was the forerunner for a new industry sector in Queensland liberating the state's abundant supply of natural gas in coal seams as a source of energy for domestic and international markets.

The US\$20.4 billion project was sanctioned in late 2010 by London Stock Exchange-listed BG Group, a world leader in natural gas with a broad portfolio of business interests focused on exploration, production and liquefied natural gas (LNG).

Developed by BG Group's Australian asset, QGC Pty Limited, the project loaded its first cargo of LNG in December 2014 after an intensive and extensive program of works across dozens of communities spanning from the inland gas fields in south-western Queensland to Gladstone on the sub-tropical coast.

Our approach to entering these communities was guided by the QCLNG

Social Impact Management Plan (SIMP) which set out QGC's commitments to mitigating the project's social impacts and enhancing benefits across the project area between January 2011 and December 2014.

This was one of the most substantial private social investment programs in Queensland's history and the first of its kind in the state.

This is a brief summary of the final report of the QCLNG project Social Impact Management Plan and highlights some of our achievements during the construction period.

The full report is available at www.qgc.com.au/news-media/publications.

Our SIMP

Six areas of focus:

1. Employment and economic development
2. Community safety, health and social infrastructure
3. Housing
4. Road and marine traffic management
5. Indigenous participation
6. Land use management.

94 commitments.

Significant investment in major infrastructure such as roads and temporary accommodation and around \$150 million directed to community benefits.



About the QCLNG Social Impact Management Plan

Development and implementation of a Social Impact Management Plan (SIMP) was one of 18 social conditions required by the Queensland Coordinator-General for approval for the QCLNG project.

It followed the development of the project Environmental Impact Statement including a comprehensive Social Impact Assessment (SIA). The SIMP was developed following more than two years

of investigation supported by extensive consultation to further explore the risks and opportunities identified by the SIA.

The QCLNG SIMP was approved by the Queensland Coordinator General in April 2012. It outlined a methodology for effective community engagement, which has been implemented throughout the construction phase of the project.



EMPLOYMENT AND ECONOMIC DEVELOPMENT



We estimated an average of 5,000 jobs over the four years with a peak of 6,700 across the gas fields, pipeline and LNG plant. In reality the project workforce averaged 9,200 over the four years with a peak of 14,500 occurring in the third quarter of 2013.

- **14,500** jobs at peak of construction
- **298** apprenticeship and traineeship opportunities in non-gas industries
- **12-15%** higher growth in family income in Western Downs than in comparable areas
- **123,000** training courses undertaken by QGC staff and contractors
- **\$19.6 billion** invested in Queensland from January 2010 to December 2014



HOUSING



QGC invested \$12.5 million to provide additional affordable and community housing for low-income households and vulnerable groups.

- **\$6.8 million** for Gladstone Affordable Housing Company to deliver 35 dwellings
- **\$1.2 million** for the Gladstone Regional Council's rental assistance program
- **163** apprentices and trainees have benefited from our rental assistance program
- **5,000+** bed capacity of our purpose-built accommodation across our project area
- **\$5.7 million** for the Western Downs Housing Trust to provide affordable housing for key service workers



COMMUNITY SAFETY, HEALTH AND SOCIAL INFRASTRUCTURE

The health sector has been a major focus for these programs. QGC's support delivered around 15,000 additional treatments, specialist consultations or aeromedical retrievals.

- **\$5 million** donated to the Gladstone Foundation for social infrastructure projects
- **\$1.3 million** for Chinchilla multi-tenant service centre
- **\$21.1 million** to Careflight to conduct 496 aeromedical retrievals
- **3,508** treatments delivered by new renal dialysis centre at Gladstone Hospital
- **5,935** telehealth consultations reported through the Darling Downs region





ROAD AND MARINE TRAFFIC MANAGEMENT



Before construction commenced on QCLNG there was on average 10,000 movements per annum of vessels over 10m in Gladstone Harbour. During peak construction this increased to 33,500 per calendar month.

- **\$140 million** to upgrade, maintain or repair public roads
- **\$1 per km** driven invested in road upgrades and maintenance in Western Downs
- **22%** increase in number of Volunteer Marine Rescue Gladstone volunteers over project period
- **40%** reduction in boat safety call-outs to Volunteer Marine Rescue Gladstone due to safety awareness program
- **841** volunteer days provided by CVA to protect and enhance Gladstone Harbour



INDIGENOUS PARTICIPATION

There were 319 Indigenous people employed on the QCLNG project during peak construction and that figure continues to grow.

- **\$7.83 million** for 38 indigenous projects
- **\$40 million** in procurement opportunities awarded to indigenous businesses during construction
- **319** indigenous people employed on the QCLNG Project during peak construction
- **20** indigenous businesses gained procurement opportunities within QCLNG supply chain
- **400** indigenous participants involved in our training programs



LAND USE MANAGEMENT

QGC has successfully negotiated with landholders more than 2,098 land access agreements.

- **2,098** land access agreements successfully negotiated with landholders
- **\$1.3 million** for weed wash-down facilities in Eidsvold and Chinchilla
- **680** square kilometres of QGC land provided for agricultural use





Our Social Investment Program is supporting communities

We remain deeply committed to being an active member and supporting communities through our Social Investment Program. Our vision for the program is to contribute to strong, diversified economic growth and sustainability in the communities where we live and work.

The program focuses on three key themes that align with the needs of the communities, our business and industry:

- Enhancing regional liveability;
- Supporting enterprise development; and
- Promoting science, technology, engineering and mathematics (STEM) education.

The program is being delivered through four programs:

- Major flagship partnerships (including a \$3.95 million, three-year partnership with Queensland Museum Network);
- Cross-industry initiatives;
- The QGC Communities Fund; and
- A program of sponsorships and donations.

We also continue to refine our local content practices and workforce planning to ensure long-term, sustainable opportunities for businesses, people and communities to participate in our operations.

Working in partnership with local communities

We are committed to being a good neighbour and community member and ensuring communities benefit from our presence.

We regularly engage and work with host communities through a range of channels, including:

- Information centres in Chinchilla, Wandoan and Gladstone
- Liaison officers who live and work in the communities where we operate
- Quarterly Regional Community Consultative Committee meetings to engage with community representatives
- Local forums, such as information sessions about applying for funding grants
- Regular briefings to the three tiers of government and interest groups
- Direct support for a wide range of community organisations.