



## REPORT

# Biannual Report to the Joint Maranoa Regional Community Consultative Committee

Q-LNG01-15-RP-0555

## Australia Pacific LNG Upstream Project

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Australia Pacific LNG Upstream Biannual Report to the Joint Maranoa Regional  
Community Consultative Committee

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- **Should** indicates a recommended course of action
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## Table of Contents

Preface .....	5
1. Introduction .....	6
1.1. Project Development .....	6
2. Social Performance Framework .....	7
3. Stakeholder Engagement .....	7
3.1. Government .....	7
3.1.1. Pre SIMP Approval .....	7
3.1.2. Post SIMP Approval .....	8
3.2. Community .....	8
3.3. Enquiries .....	10
3.4. Complaints .....	10
4. Community Investment .....	12
4.1. Social Infrastructure and Partnerships .....	14
4.2. Sponsorships and Donations .....	14
4.3. Employee Giving and Volunteering .....	15
5. Housing and Accommodation .....	16
5.1. Temporary Accommodation .....	16
5.2. Affordable Housing Partnership .....	16
5.3. Facilitation of Housing Development .....	16
6. Workforce and Training .....	17
6.1. Current Workforce .....	17
6.2. Local Labour Supply .....	17
6.3. Training and Development Initiatives .....	17
7. Aboriginal and Torres Strait Islander Engagement .....	19
7.1. Employment, Education and Training .....	19
7.2. Business Development and Support .....	19
7.3. Cultural Heritage .....	19
8. Community Health and Safety .....	20
8.1. Safety Performance .....	20
8.2. Emergency Response and Health Services .....	20
8.3. Workforce Safety Initiatives .....	21
8.4. Transport and Road Safety .....	22
9. Local Content .....	23
9.1. Total Spend .....	23
9.2. Local Supplier Engagement .....	23

9.3. Major Contracts .....	24
10. Land Use and Land Access .....	25
11. Proposed Changes or Adjustments to the SIMP .....	26
12. Feedback.....	26

## Table of Figures

Figure 1: Australia Pacific LNG structure.....	6
Figure 2 Australia Pacific LNG Social Performance Framework .....	7
Figure 3 Qualitative research - Top 10 Issues.....	10
Figure 4 Community investment since project commencement - Maranoa LGA.....	13
Figure 5 Community investment July to December 2012 - Maranoa LGA.....	14
Figure 6 Recordable injuries January to December 2012 upstream operations.....	20
Figure 7 Aeromedical Services helicopter call outs for community and proponent use, July to December 2012 .....	21
Figure 8 Source of supply .....	23

## List of Tables

Table 1 Government consultation for SIMP development .....	8
Table 2 Stakeholder enquiries gas fields July to December 2012.....	10
Table 3 Allocation of upstream community investment per local government area ...	12
Table 4 Social infrastructure investment progressed July to December 2012 - Maranoa .....	14
Table 5 Gas fields and pipeline TWAFs .....	16
Table 6 Workforce and training initiatives .....	17
Table 7 Total Upstream project employees and contractors at December 2012 .....	17
Table 8 Aboriginal and Torres Strait Islander employment, education and training initiatives.....	19
Table 9 Workforce health and safety initiatives .....	21
Table 10 Total spend since 2010 in AUD .....	23
Table 11 Supplier information sessions July to December 2012.....	24
Table 12 Land use and land access initiatives .....	25

## Preface

This report on the Australia Pacific LNG Upstream Project Social Impact Management Plan (SIMP) is prepared for the Joint Maranoa Regional Community Consultative Committee (RCCC) and is issued for use.

Working within the guidelines set out by the Coordinator-General to provide the RCCC with six monthly reports, this report covers the six-month period July through December 2012.

As at December 2012, the Project was 29% completed. The status of initiatives in the SIMP at December 2012 was as follows:

- 22% of activities were completed as one-off initiatives
- 63% of activities were on track (either in progress towards completion or ongoing initiatives)
- 15% of activities were scheduled to commence from 2013 or according to a later point in the project schedule.

# 1. Introduction

Condition 2.2C(b) of the *Coordinator-General’s report on the Environmental Impact Statement (EIS)* for the Australia Pacific LNG Project, requires Australia Pacific LNG to submit biannual reports to members of the RCCC on progressive implementation of the Social Impact Management Plan (SIMP) and associated supporting strategies.

The purpose of this report is to inform community stakeholders of Australia Pacific LNG activities in the implementation of the SIMP from July to December 2012 and to provide a point-in-time update on the Project’s progression.

It should be noted that this report is relevant to the upstream (gas fields and pipeline) Australia Pacific LNG Project and in most cases is associated with activities in the Maranoa local government area (LGA) only. Reports for the downstream (LNG facility) component and for other upstream regions (Western Downs and Banana Shire) will be submitted to the relevant RCCC specific to their locality.

## 1.1. Project Development

Australia Pacific LNG aspires to develop a world-class coal seam gas (CSG) to liquefied natural gas (LNG) project.

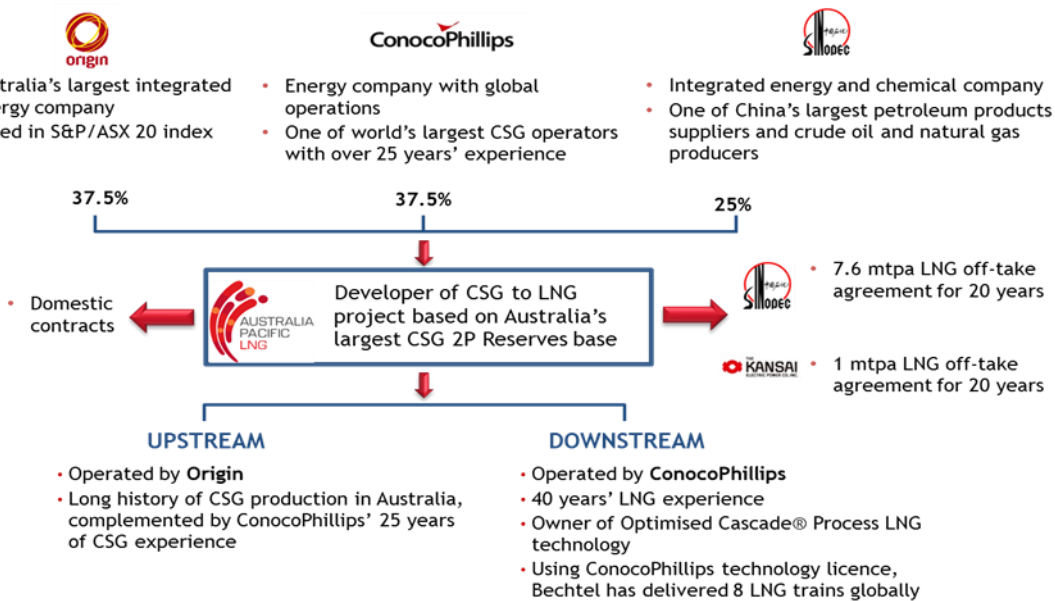
The Australia Pacific LNG Project is a development of coal seam gas resources in the Surat Basin in South Western Queensland and the Bowen Basin in Central Queensland, the construction and operation of a gas transmission pipeline from the gas fields to Gladstone, and a multi-train natural gas liquefaction and export facility on Curtis Island. The Project has an expected lifespan of 30 years.

On 17 November 2011 Australia Pacific LNG secured its second major long term customer. Both contracts will see Australia Pacific LNG’s gas transported to the energy markets of East Asia. This milestone allowed the board to announce, on 4 July 2012, a final investment decision (FID) to construct a second production train. Train Two will double the production capacity of the Curtis Island LNG facility to 9.6 million tonnes per annum.

The Project is currently in the construction phase, scheduled to produce the first shipment of LNG in Quarter 2, 2015.

Figure 1 provides an overview of the Australia Pacific LNG joint venture structure.

**Figure 1: Australia Pacific LNG structure**



## 2. Social Performance Framework

The Australia Pacific LNG Project operates under a strategic framework which guides social performance in impact mitigation. The framework incorporates a number of overarching, project wide approaches which inform localised plans. The framework is guided by a set of Project Commitments, accepted by the Coordinator-General, which influence all areas of operation of the Project.

Figure 2 provides an overview of the Australia Pacific LNG Social Performance Framework.

Figure 2 Australia Pacific LNG Social Performance Framework



The SIMP identifies actions Australia Pacific LNG will undertake alone or in cooperation with its contractors and other stakeholders to mitigate the social impacts arising from the Project. The identified impact categories are:

- Housing and accommodation
- Workforce and training
- Indigenous engagement
- Community health and safety
- Community investment
- Local content
- Land use and land access

## 3. Stakeholder Engagement

Stakeholder engagement has underpinned the development and early delivery of the SIMP. Australia Pacific LNG will continue to consult with and involve key stakeholders in the ongoing development and refinement of its social performance activities. This includes relevant local government authorities, state government agencies, communities and others with an interest in the Project.

### 3.1. Government

#### 3.1.1. Pre SIMP Approval

During the development of the SIMP, extensive engagement with government agencies and departments occurred at state as well as a local level. In particular, local executive and frontline officers working in the region have been integral points of contact for the Project. Table 1 outlines the key agencies the Project consulted during the development and early implementation stages of the SIMP.

**Table 1 Government consultation for SIMP development**

Stakeholder <sup>1</sup>	Strategies discussed
DEEDI	<ul style="list-style-type: none"> <li>• Housing and accommodation</li> <li>• Community investment</li> <li>• Indigenous engagement</li> <li>• Workforce and training</li> <li>• Local content</li> </ul>
DET	<ul style="list-style-type: none"> <li>• Indigenous engagement</li> <li>• Workforce and training</li> <li>• Local content</li> </ul>
DEEWR	<ul style="list-style-type: none"> <li>• Community investment</li> <li>• Indigenous engagement</li> <li>• Workforce and training</li> </ul>
DoC	<ul style="list-style-type: none"> <li>• Housing and accommodation</li> <li>• Community investment</li> <li>• Indigenous engagement</li> <li>• Community health and safety</li> <li>• Workforce and training</li> <li>• Local content</li> </ul>
TMR	<ul style="list-style-type: none"> <li>• Community investment</li> <li>• Community health and safety</li> </ul>
Queensland Health	<ul style="list-style-type: none"> <li>• Housing and accommodation</li> <li>• Community investment</li> <li>• Community health and safety</li> </ul>
QPS	<ul style="list-style-type: none"> <li>• Housing and accommodation</li> <li>• Community investment</li> <li>• Community health and safety</li> </ul>
QAS	<ul style="list-style-type: none"> <li>• Community investment</li> <li>• Community health and safety</li> </ul>
QFRS	<ul style="list-style-type: none"> <li>• Community investment</li> <li>• Community health and safety</li> </ul>
DERM	<ul style="list-style-type: none"> <li>• Community investment</li> </ul>
Maranoa Regional Council	<ul style="list-style-type: none"> <li>• All strategies</li> </ul>

### 3.1.2. Post SIMP Approval

Following approval of the SIMP on 20 July 2012, regular engagement has continued with state and local government as part of the SIMP implementation. This has included quarterly briefings with local council and ongoing state government engagement primarily through the Social Impact Assessment Unit (SIAU).

### 3.2. Community

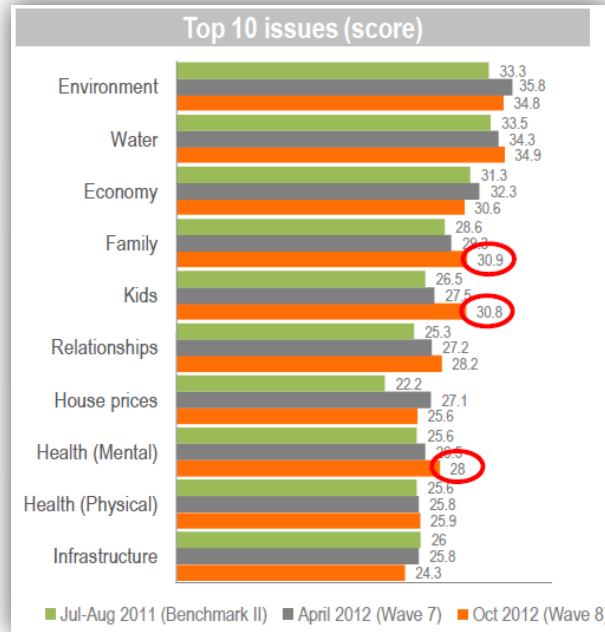
Regular community engagement has been integral to SIMP development and delivery. In addition regular research is conducted to identify emerging issues. The most recent qualitative research (

<sup>1</sup> Australia Pacific LNG recognises the Change of Government which occurred March 2012, however for the clarity of this report the Departments referred to reflect the portfolio responsibilities at the point of consultation.



) from October 2012 showed the community was sensing and feeling increased project activity.

Figure 3 Qualitative research - Top 10 Issues



The RCCC remains a key forum for engagement. In the period July through December 2012, Australia Pacific LNG held two meetings with the Joint Maranoa RCCC to provide Project and SIMP implementation updates and seek feedback on key issues and initiatives. These were held on September 20, 2012 and December 6, 2012.

### 3.3. Enquiries

The Project seeks to make it easy for stakeholders to make contact by maintaining a range of information channels, including shop fronts in Roma, Chinchilla and Miles, the Origin and Australia Pacific LNG websites, email enquiry channels and a Project information hotline. The number and nature of enquiries received from July through December 2012 are shown in Table 2 below.

Table 2 Stakeholder enquiries gas fields July to December 2012

Method of contact	Number of enquiries	Common reasons for contact
Phone	895	<ul style="list-style-type: none"> <li>• Employment</li> <li>• Sponsorship</li> <li>• Call transfer</li> </ul>
Website or email	587	<ul style="list-style-type: none"> <li>• Employment</li> <li>• General</li> <li>• Media</li> </ul>
Regional office walk-in	274	<ul style="list-style-type: none"> <li>• Employment</li> <li>• Supplier enquiries</li> <li>• Community Skills Scholarships</li> <li>• Sponsorship</li> </ul>

### 3.4. Complaints

Stakeholder feedback, positive or negative, is instrumental in providing Australia Pacific LNG with a platform upon which its operational and social performance can be regularly evaluated and modified to meet emerging impacts.

The Project is conditioned by the Coordinator-General to acknowledge the receipt of a complaint or grievance within two working days.

From July to December 2012, the Project upstream operations received 28 complaints from landholders or community members, an increase on the previous six months. Of these, five were investigated and found to be unrelated to the Project, and of the remaining complaints, four were from Maranoa and in relation to:

- Traffic and transport
- Noise and vibration
- Dust
- Property damage

These complaints have been acknowledged and are being managed in the complaints management system, Atlas, which is audited regularly for compliance.

## 4. Community Investment

Australia Pacific LNG works to mitigate identified social impacts through four distinct investment vehicles, including:

- Social infrastructure
- Partnerships
- Sponsorships and donations
- Employee giving and volunteering

It seeks to allocate investment aligned to key themes including:

- Skills, education and training
- Community safety, health and wellbeing
- Sustainable population growth
- Natural resource stewardship
- Community cohesion

Community investment is also allocated geographically to align with the proportionate impacts of the Project activity. As the majority of the Project impacts in the upstream area are within the Western Downs Regional Council area, in particular Miles and Chinchilla, most of the phase one community investment will occur in these towns. The approximate allocation of investment by local government area (LGA) is provided in Table 3 below.

**Table 3 Allocation of upstream community investment per local government area**

Western Downs	Maranoa	Banana Shire
65%-70%	25%-30%	5%-10%

Since commencement, Australia Pacific LNG has spent approximately \$1.5 million on community investment initiatives in Maranoa, including more than \$100,000 in the July to December 2012 reporting period. Figure 4 and

Figure 5 provide a breakdown of this expenditure.

Figure 4 Community investment since project commencement - Maranoa LGA

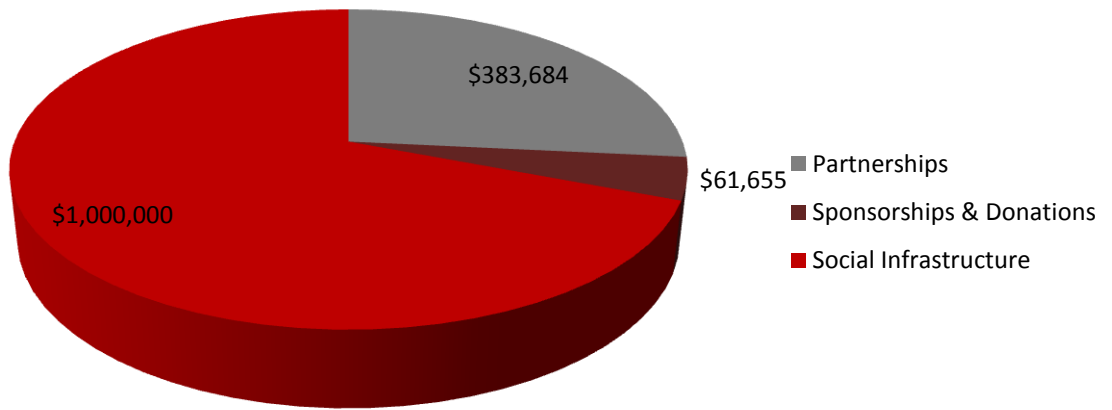
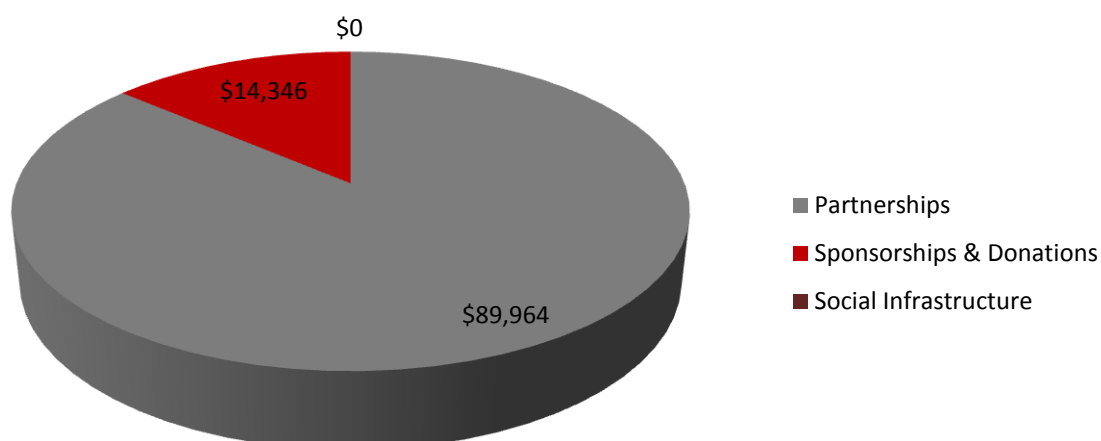


Figure 5 Community investment July to December 2012 - Maranoa LGA



#### 4.1. Social Infrastructure and Partnerships

The Project aims to ensure maximum value for the communities in which it operates by aligning its investment with local or state government priorities and working in partnership with community or regional organisations where possible. This has resulted in support aligned with areas of importance to the Maranoa community, in particular providing housing and community services in line with population growth. Table 4 shows initiatives progressed during the July to December reporting period.

Table 4 Social infrastructure investment progressed July to December 2012 - Maranoa

Initiative	Description	Status	Value
Roma Community Hub	Centralisation of community services from six locations to one, to enhance service delivery	Proposed in 2012 for 2013 implementation	\$550,000 (TBC)
REM Plan licence for Regional Development Australia	Will provide local councils access to data to assist population and infrastructure planning	Committed 2012 for 2013 implementation	\$25,000
Roma sewer upgrade (proposed)	<i>See section 5.3 for details</i>		
Affordable housing development - Roma (proposed for 2013)	<i>See page 5.2 for details</i>		

#### 4.2. Sponsorships and Donations

From July to December 2012 the Project made payments of approximately \$14,000 towards sponsorships and donations of events aimed at promoting a sense of community connectedness in the Maranoa region.

Examples of sponsored events in Maranoa included:

- Injune Kindergarten and Children's Centre equipment upgrade
- Roma Campdraft
- Noonga Hall Trivia Night Fundraiser

### 4.3. Employee Giving and Volunteering

The giving of time and personal resources by Project personnel in a voluntary capacity cannot be accurately measured in financial terms. Aside from the positive contribution this volunteering makes in the region, it also assists Australia Pacific LNG personnel in establishing and maintaining connections with their communities.

Since the Project began, employees have volunteered their time across a range of initiatives in the Maranoa region including emergency response assistance and community events. A program is being developed to formalise and capture the time donated by employees to community events.

## 5. Housing and Accommodation

The housing strategy for the gas fields component of the Australia Pacific LNG Project is developed around four main mitigation themes:

- Provision of temporary workforce accommodation facilities (TWAF)
- Offsetting short term impacts to rental affordability
- Developing and funding partnerships that introduce affordable housing product
- Facilitating development in the private housing market.

### 5.1. Temporary Accommodation

The main housing mitigation strategy in the gas fields revolves around adequate and timely provision of Temporary Workforce Accommodation Facilities (TWAF). Table 5 shows the progress of planned TWAF at December 2012.

**Table 5 Gas fields and pipeline TWAFs**

Type of TWAF	Location	Duration	Number of TWAF	Status at Dec 2012
Facilities construction	Condabri Combabula/ Reedy Creek / Spring Gully	Short term	5	3 completed 1 in progress
Gathering	Condabri Combabula/Reedy Creek	Medium term	3	1 completed 2 in progress
Operations	Talinga Condabri Combabula/Reedy Creek Spring Gully	Long term	4	2 completed
Pipelines	On or near pipeline right of way	Short term	8	3 completed
Drilling	Near drilling sites	Medium term (although short term in each location)	Peak of 9	Varies depending on rig operations

### 5.2. Affordable Housing Partnership

Discussions continued with Horizon Housing in the final quarter of 2012 for the development of affordable housing in Roma. It is proposed that plans will be finalised in early 2013, allowing construction to commence on up to 18 dwellings, representing a proposed investment by Australia Pacific LNG of \$1.75 million.

### 5.3. Facilitation of Housing Development

The Project is working with Maranoa Regional Council (MRC) to support sustainable, market-led growth through significant investment in infrastructure. Specifically Australia Pacific LNG has planned potential support of up to \$1.5 million for the proposed Roma sewer upgrade to enable housing development. This investment is dependent on co-contributions with Santos, MRC and the Queensland Government, through the Royalties for the Regions Program in 2013.



## 6. Workforce and Training

Through its Workforce and Training Strategy, Australia Pacific LNG has implemented a range of initiatives to address three key objectives:

- Maximize employment opportunities for local residents and under-represented groups
- Increase the local community's skills capacity for employment
- Increase industry-wide labour capacity.

Table 6 provides a summary of the workforce and training initiatives progressed in Maranoa during the July to December 2012 reporting period. The following sections provide further details.

**Table 6 Workforce and training initiatives<sup>2</sup>**

Initiative	Description	Status	Value
Queensland Minerals and Energy Academy	A joint partnership with Arrow, QGC and Santos to support QMEA in a high school program. The three-year program commenced in 2010	Completed 2012	\$200,000
Count Me In	A training and employment program targeting women's participation in the workforce	In progress 2012-2014	\$200,000
Community Skills Scholarship	Financial and networking support for apprentices, assisting them to complete their training locally	Ongoing	\$60,000 during reporting period
CSQ Alliance	Assistance to Australia Pacific LNG contractors to develop workforce development plans and access funding for training initiatives	In progress 2012-2015	Funded by CSQ

### 6.1. Current Workforce

A snapshot of the Australia Pacific LNG upstream workforce is provided in Table 7 below:

**Table 7 Total Upstream project employees and contractors at December 2012**

Project Function	Employees and contractors (FTE)
Employees	2,254
Contractors	3,584
Total	5,838

### 6.2. Local Labour Supply

Australia Pacific LNG aims to promote local employment opportunities through a range of activities. Key initiatives undertaken from July to December 2012 included the continued presence of a local recruitment officer in Chinchilla, servicing the upstream operations, and participation in three career expos including the Maranoa Careers Expo.

### 6.3. Training and Development Initiatives

The Project aims to support training and development initiatives to meet workforce demands of the gas fields region across CSG-related and unrelated industries. Key milestones reached during the July to December 2012 reporting period include:

<sup>2</sup> See also Section 7.1 Aboriginal and Torres Strait Islander engagement for education and training initiatives involving Indigenous community members

## 1. Count Me In - second phase developed

The Count Me In program aims to increase women's participation in the local workforce, thereby reducing the need for out-of-town workers and relieving housing affordability pressures. Phase 2 will see the appointment of a coordinator to work with the YWCA for 18 months to implement opportunities for the 460 women who identified they would like to resume work in the Surat region.

## 2. Community Skills Scholarship - 100th apprentice awarded

As detailed in the case study below, more than 100 apprentices have now been awarded scholarships to help them complete their training locally.

See also Section 7 Aboriginal and Torres Strait Islander Engagement for education and training initiatives involving Indigenous community members.

### Case Study: Community Skills Scholarship

Another twenty-two apprentices developing a career in their local area were inducted into the Origin Energy Community Skills Scholarship (CSS) program in September 2012. The 2012 intake held special significance with the total number of successful scholarship recipients passing the 100 mark.

The program is one way in which Origin is addressing skills development and labour capacity across a range of industries in the gas fields and pipeline regions. It enables young people to realise their ambitions to "learn and earn" in their local communities.

The Community Skills Scholarship program has been running for six years. It has been open to new or first year apprentices aged 15 years or older, living in the Biloela, Springsure, Rolleston, Injune, Roma, Surat, Wallumbilla, Wandoan, Miles, Condamine, Chinchilla, Tara, Millmerran and Dalby areas.

The program offers successful applicants up to \$13,500 to support them through their apprenticeship in a local trade. Businesses that provide ongoing employment for an Origin Skills Scholarship apprentice will also receive financial incentives.

The program will continue in 2013.

## 7. Aboriginal and Torres Strait Islander Engagement

Australia Pacific LNG is committed to seeking long-term relationships with Aboriginal and Torres Strait Islanders and broader communities through the implementation of the Aboriginal and Torres Strait Islander Community Strategy. The strategy focuses on employment, education, training, business development and cultural heritage.

### 7.1. Employment, Education and Training

Australia Pacific LNG is working on a number of initiatives to improve employment, education and training outcomes for Indigenous community members in the Maranoa and greater gas fields regions.

Table 8 provides a summary of the employment; education and training initiatives progressed during the July to December 2012 reporting period.

**Table 8 Aboriginal and Torres Strait Islander employment, education and training initiatives**

Initiative	Description	Status	Value
Indigenous drilling training	17 Indigenous participants completed a Certificate II in drilling	Completed 2012	\$75,000
I CAN Indigenous Schools Program	An Indigenous school student retention program run across the gas fields in partnership with the Gold Coast Titans	In progress 2012-2014	Up to \$600,000 committed
MCJV (Australia Pacific LNG contractor) Indigenous up-skilling program	Indigenous employment and up-skilling program covering welding, concreting, steel fixing and plant operations	Commenced 2012	MCJV initiative
Harness Indigenous drilling training	Proposed training for 12-15 Indigenous participants	Proposed 2012 for 2013 implementation	TBA
Ostwald Brothers Indigenous plant simulator training	Origin has been involved in the development of a training camp with QGC and Ostwald Brothers to bridge skills gap for employment	Developed 2012 for use in 2013	Nil

Origin also supports Indigenous employment through the engagement of Indigenous weed washdown provider Muddy Waters, which provides services to Project vehicles in Chinchilla.

### 7.2. Business Development and Support

Australia Pacific LNG is aiming to create partnerships to enhance business development and support opportunities for Indigenous businesses in the Maranoa and broader gas fields regions. These programs support the Project's SIMP commitments and Indigenous Land Use Agreements. In the last quarter of 2012 preliminary discussions were held with potential partners, with a view to establishing formal partnerships in 2013.

### 7.3. Cultural Heritage

As the construction phase of the Project progresses, Australia Pacific LNG continues to comply with the *Aboriginal Cultural Heritage Act 2003* through Cultural Heritage Management Plans (CHMP) negotiated with the Traditional Owner groups within the Project area. These CHMPs aim to avoid harm to Aboriginal Cultural Heritage. If harm cannot reasonably be avoided, it will be minimised. The Project CHMPs were also negotiated to manage and protect Cultural Heritage through consultation and mitigation across the Project.

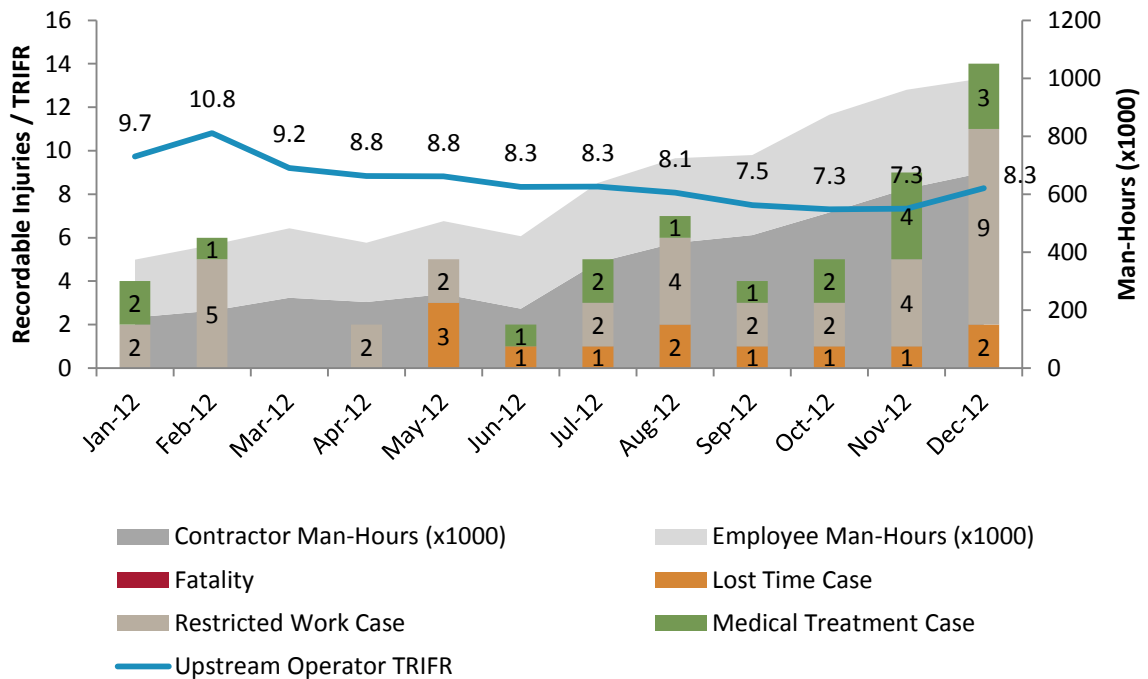
## 8. Community Health and Safety

Safety of the workforce and the community is the highest priority of the Australia Pacific LNG Project. The Community Health and Safety Strategy aims to minimise potential health and safety risks, and to mitigate population growth pressure on emergency and health services providers. The following sections outline safety performance and safety initiatives across the Project.

### 8.1. Safety Performance

Figure 6 shows the total recordable injuries frequency rate for upstream operations. The initiatives in the following sections aim to continually improve safety performance.

Figure 6 Recordable injuries January to December 2012 upstream operations



### 8.2. Emergency Response and Health Services

A number of strategies and initiatives have been undertaken to ensure the availability of adequate health and emergency services, to meet the needs of the Project and the community. Key initiatives are outlined below.

#### 1. Emergency Management Framework

An emergency management framework and emergency management plans are in place to coordinate activity, roles and responsibilities at the corporate, Project, regional and site level. In the last half of 2012 the Group Emergency Management Team was activated twice in relation to bush fires. Training drills were also conducted to simulate a flood response.

#### 2. Emergency Hotline

An emergency response phone number (1800 076 251) has been established and is published on the Australia Pacific LNG website to allow members of the public to directly report emergencies related to upstream operations.

#### 3. Mutual Aid Working Group

Australia Pacific LNG is a member of the Mutual Aid Working Group set up with other proponents to coordinate approaches to emergency services planning and support. The proponents meet regularly with each other and quarterly with emergency services providers.

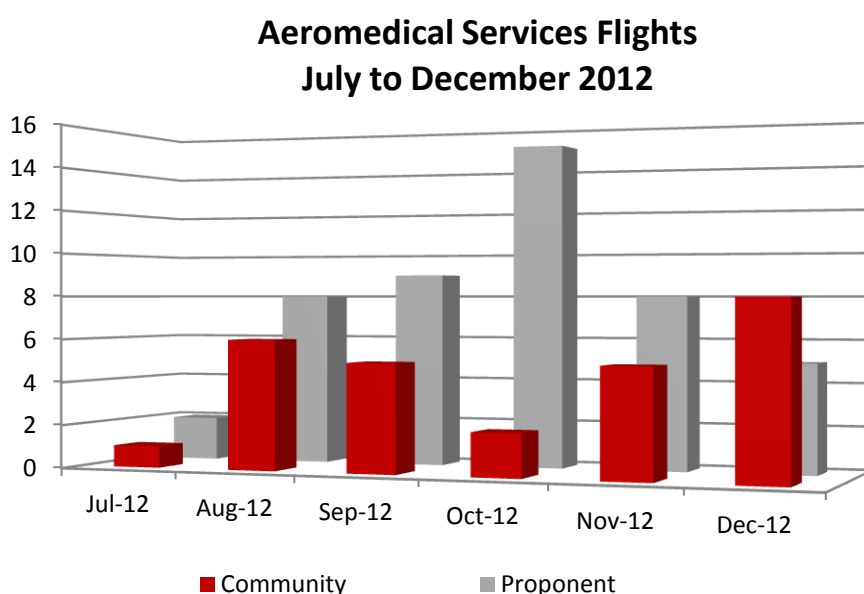
#### 4. Aspen Medical Services

Aspen Medical provides a comprehensive health care network for Project employees and approved contractors at the temporary workforce accommodation and operational site locations in the region, to lessen the burden on existing medical services in these communities. During the July to December 2012 reporting period, the Aspen Medical caseload was approximately 350 cases.

#### 5. Aeromedical Service

The project jointly funds, with the other CSG proponents, an Aeromedical Service for the gas fields and pipelines regions with two helicopters based at Roma and Toowoomba. A total of 100 hours was donated for community use in 2012, with that amount to increase to 150 hours in 2013. Current arrangements are in place to 2014, then due for review. Figure 7 shows the use of the helicopter for both project and community call outs during the reporting period.

Figure 7 Aeromedical Services helicopter call outs for community and proponent use, July to December 2012



### 8.3. Workforce Safety Initiatives

The Health and Safety Management Plan guides the implementation of initiatives to encourage health and safety consciousness amongst upstream contractors and employees. Key initiatives are outlined in Table 9 Workforce health and safety initiatives below.

Table 9 Workforce health and safety initiatives

Initiative	Description
Life Saving Rules	Launched across Origin, the Life Saving Rules represent a set of ‘no compromise’ safety rules applicable across all operations.
Safety inductions	The Development Area Induction to the Australia Pacific LNG Project provides an overview of the CSG to LNG industry, Workplace Safety, Environment Protection, Community Engagement and Land Access, including behavioural standards. This mandatory induction is also incorporated into Principal Contractors HSE Site Inductions.
Safety training	A broad range of training initiatives are offered to support workforce, environment and community safety and to ensure compliance with relevant Queensland and Australian Government requirements.
Health and wellbeing programs	A range of programs are offered to employees and contractors to support their health and wellbeing, including fitness, sun safety, healthy eating help quitting smoking and access to counseling services through an employee assistance program.

## 8.4. Transport and Road Safety

Logistics and road infrastructure are outside of the direct scope of the Australia Pacific LNG SIMP. Road safety however, has been identified as a high priority for the community. In recognition of this, a summary of Project road upgrades and safety initiatives is provided in this report.

### Major road upgrades in Maranoa include:

Combabula area:

- Horse Creek Road

Reedy Creek area:

- Yuleba Taroom Intersection/Warrego Highway
- Yuleba Taroom Road sections
- Reedy Creek Access Lane

Spring Gully area:

- Roma Taroom Road/Wybara Road Intersection

### Road safety initiatives

A snapshot of key road safety initiatives is provided below.

- The **CARS (Caring About Road Safety)** driver safety program has been delivered for young drivers in partnership with the RACQ for a number of years at high schools in Maranoa, Western Downs and more recently Banana Shire. The program has trained more than 1,000 students since its commencement.
- The **Every Day is Game Day** road safety campaign, featuring former Rugby League player Darren Lockyer launched in 2012 to encourage safe driving behaviour amongst employees and contractors, using internal and external communication channels, including print, radio and web.
- In 2011, Australia Pacific LNG contributed \$1 million funding to the **Roma Airport upgrade** to meet operational requirements, in turn helping to reduce road traffic.

## 9. Local Content

Australia Pacific LNG is committed to establishing a robust supply chain by encouraging suitably qualified, capable local firms to take advantage of the opportunities that are being provided by the Project. This commitment to evaluate local industry capability within the parameters of assessing the best overall proposal is a requirement that Australia Pacific LNG also passes onto its Tier One Contractors when sub-contracting work packages. Australia Pacific LNG procurement is undertaken in light of the Project’s commitment to giving ‘full, fair and reasonable’ consideration to local businesses.

### 9.1. Total Spend

As at December 2012 approximately \$8.7 billion has been spent on the mobilisation and early works associated with the Australia Pacific LNG Project (upstream and downstream). More than 80% was spent in Australia, including 72% on goods and services from Queensland based firms.

The figures provided in this section are relevant to the entire Australia Pacific LNG Project, across the gas fields, pipeline and LNG facility sections.

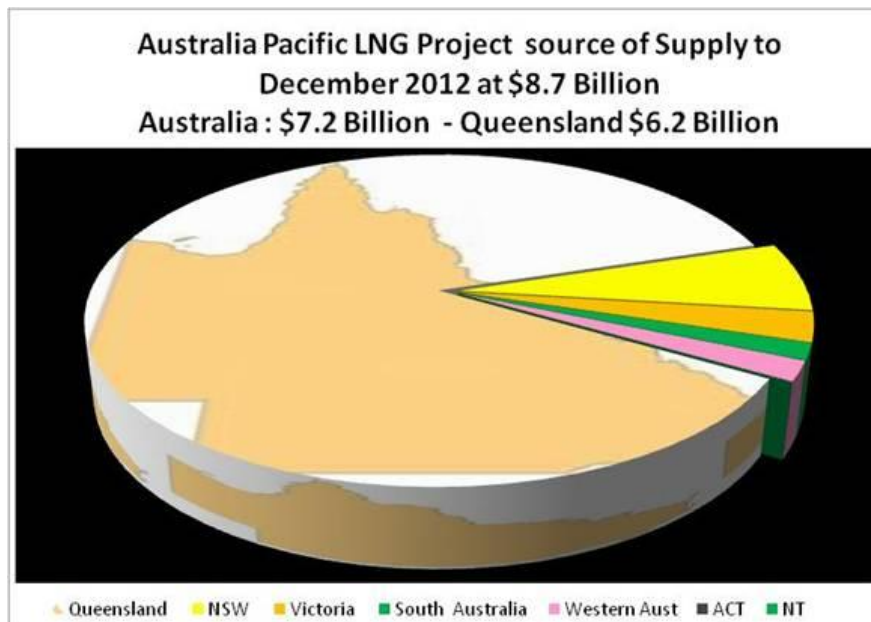
Table 10 provides an overview of the Project wide spend from 2010 to December 2012.

**Table 10 Total spend since 2010 in AUD**

Total Spend	(AUD) \$8,687,400,000	
Spend in Australia	(AUD) \$7,166,000,000	82% of total spend
Spend in Queensland	(AUD) \$6,225,000,000	87% of Australian spend

Figure 8 Source of Supply provides an overview of the breakdown in spend.

**Figure 8 Source of supply**



### 9.2. Local Supplier Engagement

The Project seeks to actively promote supply chain opportunities to local suppliers, and provides training and information to help suppliers access these opportunities. Since the Project began 4,473 people have attended 32 Supplier Information Sessions. Table 11 shows the sessions held during the July to December 2012 reporting period.

**Table 11 Supplier information sessions July to December 2012**

Date	Location	Attendees
28 August 2012	Toowoomba	132
29 August 2012	Miles	26
30 August 2012	Roma	22
14 November 2012	Gladstone	103
19 November 2012	Roma	40
20 November 2012	Dalby	73
21 November 2012	Toowoomba	225
22 November 2012	Biloela	64

Other initiatives progressed during the reporting period; include the appointment of a Regional Supplier Liaison Officer based in Chinchilla and a continued focus on promoting the Industry Capability Network (ICN) portal. The portal allows interested suppliers to register for contracting opportunities. Since the project began, the ICN has recorded 1684 registrations, including 19 from the Maranoa region.

### 9.3. Major Contracts

Since the project began major contracts to the value of \$3.6 billion have been awarded for gas fields and pipeline related activity. During the period July to December 2012 two major contracts were awarded:

- In July 2012, Laing O'Rourke was awarded the \$650 million contract to build gas processing plants and associated infrastructure at Condabri, Orana (east of Talinga), Reedy Creek, Combabula and Eurombah Creek, creating up to 600 jobs; and
- In September 2012, WDS Limited was awarded the \$280 million for gas gathering works associated with wells at Reedy Creek and Combabula, near Roma.



## 10. Land Use and Land Access

The Land Use and Land Access action plan in the SIMP aims to support delivery of operations in a way that minimises land and amenity impacts, while identifying opportunities to share Project benefits with land holders.

Key initiatives supporting the Land Use and Land Access action plan objectives are outlined in Table 12 below.

**Table 12 Land use and land access initiatives**

Initiative	Description
<b>Minimal disturbance drilling rigs</b>	In an Australian first, Australia Pacific LNG drilling contractor Savanna is using new hybrid coil tubing drilling rigs. The technology used in these rigs provides faster turnaround of well delivery, safer operation and less land disturbance. The portable rig design means they can be moved virtually anywhere without building or grading roads, resulting in a disturbance area one-tenth of the size of a conventional drilling rig.
<b>Working Together program</b>	An Origin led initiative to accredit landholders to manage land around CSG infrastructure. The pilot provides up skilling opportunities and an additional income stream, while also addressing landowner concerns regarding impacts (e.g. security, privacy, control).
<b>Weed wash down facilities</b>	Australia Pacific LNG has committed \$400,000 to Banana Shire Council to co-fund the upgrade of the Taroom weed wash down facility, and is in discussions with Western Downs Regional Council about contributions to a facility in its region.

### Case Study: Working Together Pilot Program Update

Working Together is an industry first program developed by Origin, Department of Education Training and Employment and Skills Queensland, promoting collaboration between farmers and CSG companies. The program provides landholders with the opportunity to gain formal recognition for their environment and land management skills, enabling them to carry out related activities supporting gas infrastructure on their properties.

By December 2012, 17 participants had completed the Certificate III in Rural Operations, including eight from Western Downs and nine from Maranoa local government areas. The project remained on track to reach the target of 20 participants. Graduates are now performing land management activities around Project wells on a paid basis.

Origin designed the program in consultation with the Queensland Farmers Federation, AgForce and individual landholders. Australia Pacific LNG and Skills Queensland are both contributing up to \$250,000 to the pilot program.

If successful the program will be considered for implementation across the Australia Pacific LNG Project, and potentially the industry. The program has received positive feedback from participants and agricultural groups, and there has been interest from other proponents and landholders in becoming involved. An assessment of the pilot will be conducted in 2014.

## 11. Proposed Changes or Adjustments to the SIMP

There were no changes proposed or sought to the Australia Pacific LNG SIMP during July to December 2012.

## 12. Feedback

Feedback is welcomed from stakeholders and members of the Joint Maranoa RCCC on the contents of this report and the initiatives mentioned within.

Australia Pacific LNG is committed to providing the RCCC with opportunity to guide and inform activities to mitigate the social impacts on the Maranoa region and communities.

If you wish to provide feedback please contact us:

- Email: [contact@aplng.com.au](mailto:contact@aplng.com.au)
- Phone: 1800 526 369 (toll free)