

2 April 2015

Mr Barry Broe
Coordinator General
Department of State Development, Infrastructure and Planning
PO Box 15517
City East QLD 4002

Dear Mr Broe

Queensland Curtis LNG (QCLNG) Project – Proposed Condition Amendment

The QCLNG Project loaded its first LNG cargo at the end of 2014 which was the result of more than four years of development and construction in Queensland. The first LNG cargo signalled the start of production and transition to operations with the construction phase of the project, as referred to in the Coordinator General's conditions, now close to completion.

As we move into the operations phase of the project, QGC remains committed to managing social impacts, enhancing local benefits and engaging with the community as part of our way of working.

Subsequent to your letter on 11 March 2015 we request several changes to the Coordinator General's social conditions of the QCLNG Project. These requests are in light of the operational status of project and in order to continuously improve efficiency, enforcement and action, whilst maintaining community benefits and meeting community needs.

QGC would like to request your consideration in waiving fees for this change application as per previous requests.

Attached to this letter is an appendix of the proposed changes for your consideration.

Yours sincerely



Joanne Pafumi
Vice President, External Affairs & Sustainability

Appendix 1

Proposed conditions for withdrawal	QGC's contributions in satisfying the conditions
<p>Appendix 1, Part 3, Condition 1 (5) (6) and (7) SIMP</p> <p>Requirements for any amendments to SIMP: 5. The proponent must revise the SIMP after completion of the construction stage of the project or advise the Coordinator-General that amendments and updates to the SIMP are required under the following circumstances:</p> <p>a) strategies and actions no longer meet the desired outcomes, or to improve their effectiveness</p> <p>b) changes in government policy, significant changes to company operations and site structure, or significant national/international changes to management approaches and frameworks.</p>	<p>Over the past four years during project construction, QGC has delivered on all its commitments in the QCLNG Social Impact Management Plan (SIMP.) QGC will provide a final SIMP report in June 2015 to the Coordinator General's office to finalise the closure of the QCLNG SIMP.</p> <p>In managing QGC's social licence going forward, QGC has developed and launched a voluntary strategic social investment program as part of our continued commitment to support the regions where we operate from 2015. The plan focuses on enhancing regional liveability, supporting enterprise development and investing in Science, Technology, Engineering and Mathematics (STEM) Education.</p> <p>QGC's commitment to on-going social impact management will continue to be guided by International Finance Corporation's (IFC) Sustainability Framework and Performance Standards and BG Group's global Social Performance Standard.</p>
<p>6. Identify a process to facilitate any amendments and agreed between the Coordinator-General and the proponent. If necessary, the Community Engagement Strategy (incorporating an Indigenous Peoples Plan and Social Investment Plan) should be updated to describe how stakeholders will be engaged in any change process at the time.</p>	<p>A process has been identified and agreed with the Coordinator General to facilitate amendments by way of change request submissions which incorporates the appropriate stakeholder engagement as required. QGC will continue to adhere to this process.</p>
<p>7. Alter, re-structure, re-scope or extinguish the SIMP through agreement by both government, (coordinated by the Coordinator-General) and the proponent, following consultation with key stakeholders, including the Regional Community Consultative Committees (RCCC).</p>	<p>The final SIMP report which marks the closure of our SIMP will be publicly available and copies will be distributed to key community stakeholders. The report will comprehensively describe QGC's efforts in delivering its SIMP commitments over the past four years and acknowledges the input from key stakeholders including the Regional Community Consultative Committees (RCCC). Many of our current SIMP projects have committed funding and will continue through most of 2015.</p> <p>In November 2014 at community events in Chinchilla and Gladstone, QGC informed over 150 key stakeholders about our new voluntary social investment program and the closure of the</p>

	<p>QCLNG SIMP. This was followed up with further consultation in December where RCCCs were informed how this new plan would build on the foundations of the SIMP and would provide voluntary future investments into the community. Feedback to date from our stakeholders has been overwhelmingly positive.</p>
<p>Appendix 1, Part 3, Condition 2 Community engagement</p> <p>The proponent must:</p> <p>1. For the life of the project, establish community shopfronts in Chinchilla and Gladstone to provide information and community access for the project. Additional shopfronts may be established as the project progresses, depending upon community feedback to the proponent.</p>	<p>QGC has established Community Information Centres in Gladstone, Chinchilla and Wandoan. Throughout the QCLNG Project construction period they have provided convenient locations for community members to learn more about QGC's activities and raise questions they may have face-to-face.</p>
<p>2. For the duration of construction plus 12 months in the respective project component areas QGC will consult and provide progress reports to the Gladstone (LNG Facility), Banana and North Burnett (Gas transmission line) and Western Downs (Gasfields) RCCCs</p>	<p>QGC established six QGC Community Consultative Committees (CCC)s including four in the Western Downs, one in the Pipeline area and a joint proponent regional committee in Gladstone. In total, the committees met 121 times between 2010 and 2014 with minutes from all meetings available on the QGC website. (www.qgc.com.au).</p> <p>In Gladstone, QGC with other LNG proponents will continue to hold collaborative CCCs.</p> <p>QGC will continue to hold CCCs in the Western Downs where we have a significant presence and where our activity impacts on local communities. In light of our transition to operations and following consultation with the CCCs the four Western Downs Committees have been reduced to two - the Northern Region CCC and Southern/Central Region CCC. The joint proponent Gladstone Region CCC will also continue. For further details and CCC meeting minutes please refer to QGC's website.</p>
<p>3. For the life of the project, QGC must consult and provide progress reports to the Gladstone (LNG Facility), Banana and North Burnett (pipeline) and Western Downs (Gasfields) RCCCs on:</p> <p>a. the Community Engagement Strategy including providing opportunities for the committees to provide input into community engagement activities in each region</p>	<p>We reported regularly to our CCCs, which were set up to enable us to exchange views with, and gain feedback from, the community on a regular basis. The CCCs enabled us to regularly inform, consult and where appropriate collaborate with communities affected by a variety of business issues.</p> <p>Following the completion of construction of the QCLNG gas transmission pipeline, the Banana and North Burnett RCCC was dissolved in 2013 as per Appendix 1, Part 3, Condition 4 (2) which</p>

<p>b. the Stakeholder Management Plan for the purposes of analysing stakeholder needs and tailoring engagement strategies to suit the level of interest and impact relative to each stakeholder</p> <p>c. analysis of issues raised in the Issue Register and the proponent's response to these issues, including mitigation of social impacts.</p>	<p>states the need for the particular RCCC to end in December 2012.</p> <p>BG Group, the parent company of QGC, has agreed to sell its wholly-owned subsidiary QCLNG Pipeline Pty Ltd (which owns the QCLNG pipeline) to APA Group. APA group is Australia's largest gas infrastructure business and QGC considers that it has significant experience in managing this type of asset.</p>
<p>4. For the life of the project, QGC must gauge community satisfaction in regard to the quality and appropriateness of the project's community engagement strategies including - 1800 free-call service; project website; freepost service, and, as required; survey instruments; market research; community workshops and public information sessions</p>	<p>At the outset of the QCLNG Project we established feedback mechanisms in line with international best practice guidelines. These feedback mechanisms are based on the five IFC principles of proportionality, cultural appropriateness, accessibility, transparency and accountability and appropriate protection.</p> <p>If members of the community had a complaint or sought to provide feedback, they could call QGC's 24-hour toll-free Community Information Line (1800 030 443), email us at community@qgc.com.au, speak to a Community Feedback Officer at a QGC Community Information Centre or submit an Online Feedback Form via the QGC website (www.qgc.com.au).</p>
<p>5. For the life of the project, QGC must conduct issue specific workshops inviting a cross section of the community to discuss potential solutions to key issues.</p> <p>6. For the life of the project, QGC must hold periodic community information sessions where landholders and community members are invited to discuss specific issues and negative social impacts of concern</p>	<p>Throughout the construction period of the QCLNG project QGC has conducted information sessions and workshops for stakeholders covering a range of topics. Stakeholders have included Traditional Owner Groups, regional councils, landholders, local chambers of commerce and local business, environmental groups and social investment project partners.</p> <p>In addition to these efforts, QGC works closely with the Queensland GasFields Commission which is tasked with improving sustainable coexistence among rural landholders, regional communities and the onshore gas industry. One of the ways it achieves this is by convening forums for the purpose of resolving issues and promoting scientific research to address knowledge gaps.</p> <p>QGC also works closely through local chambers of commerce to discuss economic and business issues and ways QGC can work together with local suppliers.</p> <p>QGC also funds independent research organisations eg. Centre for Coal Seam Gas (CCSG) and Gas Industry Social Environmental Research Alliance (GISERA.) These organisations hold periodical information sessions and public seminars to discuss the</p>

	<p>research they have been conducting in the CSG arena.</p>
<p>7. For the life of the project, QGC must develop and deliver a 'Project Newsletter' on a regular basis to provide updates, RCCC meeting dates and highlights; community engagement outcomes; contact points for community information and enquiries and the project's dispute resolution mechanisms</p>	<p>QGC has distributed 33 issues of The Energy, a bi-monthly newsletter to keep community members informed on project progress and update them on the issues that concern them. As part of our transition from project to operations we are launching new publications to provide our stakeholders with relevant information about our operations and our ongoing support for the communities where we operate.</p> <p>QGC has published the first Operations Bulletin, which is designed to answer the questions received from communities about what to expect from our operations. This email newsletter will inform stakeholders about our activities in the field for the month ahead, including community events. QGC will also launch Links Australia, a new quarterly magazine designed to provide an in-depth review of our achievements, the people behind them and how QGC is developing sustainable operations.</p>
<p>8. Prior to the project closure and the decommissioning of the project component, QGC must actively inform the community. QGC may provide a case to the Coordinator General to alter, restructure or extinguish these arrangements after agreement by both government (facilitated through the Coordinator-General) and the proponent, following consultation with key stakeholders, including the Regional Community Consultative Committees (RCCC).</p>	<p>QGC's community engagement activities are an integral part of QGC's commitment to be transparent and accountable.</p> <p>Ongoing engagement is part of QGC's Social Performance Plan to monitor impacts of our project and is aligned with BG Group Social Performance Standards. As such, QGC will develop a targeted community engagement plan to manage the decommissioning process, at least ten years in advance. As part of this plan, we are committed to undertaking extensive socio-economic planning to ensure we are building sustainable local economies and communities.</p> <p>Project closure for QGC can be defined as:</p> <ol style="list-style-type: none"> 1) In Upstream, on-going physical rehabilitation and abandonment of wells as gas resources are exhausted and closure of major gas field infrastructure. 2) In Midstream, decommissioning of the LNG plant on Curtis Island.
<p>Appendix 1, Part 3, Condition 3 Complaints process</p> <p>When submitting the SIMP for final approval, the proponent must provide the Coordinator-General with the final versions of the QGC complaints process and grievance procedure and the Rural Residential</p>	<p>These documents outlined in this condition were provided in 2011 prior to the approval of the SIMP.</p>

Code of Conduct.

The proponent must for the life of the project:

1. Implement a community feedback procedure. Landowners must be able to deal directly with QGC regarding any concerns that they have. QGC must maintain a 24 hour emergency response line for all members of the community to report incidents or issues relating to safety, health and environmental amenity or harm.
2. Stakeholders must be able to provide feedback to a QGC employee, or to a toll free number or to the Project email address. Complaints must be acknowledged and within 24 hours, and stakeholders advised regularly of progress in addressing their complaint.
3. Continue the employment of dedicated Landholder Advisors for the Gas fields and pipeline corridor to ensure landholders have 24 hour- 7 day access to raise concerns, and dispute resolution mechanism available to them at no cost to the individual or community.
4. Implement procedures for receiving and dealing quickly and effectively with complaints. The complaints procedures must include a range of methods, including:
 - face to face meetings
 - printed material in local newsletters, magazines, community notices boards or meeting points
 - notification of key community groups and networks (interagency groups).
5. Implement the Rural Residential Code of Conduct and the Land Use and Land Access Social Impact Action Plan (which includes land access protocols) as outlined in the QGC SIMP and update the Code of Conduct and Land Use and Land Access Social Impact Action Plan when necessary.
6. Maintain a Complaints Register that includes the following information - identification of the complainant, the identity of the person who is receiving the complaint, the manner in which the complaint was made, the time and date on which the complaint was made, addressed and closed out and description of the complaint. The Register must include identification of the entity responsible for addressing the complaint, the time and date on which the complaint was addresses and closed out, a brief summary of any action taken to address the complaint, and a notation as to the satisfaction or dissatisfaction of the complainant with the outcomes.

As part of its corporate culture, BG Group, believes very strongly in having an open and accountable community feedback mechanism as part of our external engagement strategy.

QGC has established feedback mechanisms in line with international best practice guidelines including the IFC Sustainability Framework and Performance Standards, the IFC Good Practice Note: Addressing Grievances from Project-Affected Communities, the UN Guiding Principles on Business and Human Rights; Implementing the United Nations 'Protect, Respect and Remedy' Framework and IPIECA's good practice survey and toolbox materials. The feedback mechanisms provided easily accessible channels for project affected individuals or communities to raise questions or concerns and to have them addressed in a prompt and consistent manner. QGC's feedback mechanisms are based on the five IFC principles of proportionality, cultural appropriateness, accessibility, transparency, accountability and appropriate protection.

If members of the community had a complaint or sought to provide feedback, they can call QGC's 24-hour toll-free Community Information Line (1800 030 443), email us at community@qgc.com.au, speak to us at a QGC Community Information Centre or submit an Online Feedback Form via the QGC website (www.qgc.com.au).

Landholders could also contact their designated QGC advisor. All feedback (including complaints) is acknowledged, documented and investigated. As required, appropriate actions are implemented to resolve and respond to feedback. Key feedback topics of interest across the project area have been social investment, procurement and employment and training.

QGC maintains a comprehensive register of complaints and community feedback. The volume of community feedback instances and the number of issues raised have dropped significantly over the last year. This is consistent with the completion of major construction works on the QCLNG project.

Key community concerns raised through our feedback mechanisms are discussed in our RCCC meetings.

<p>7. The proponent's performance in management of complaints is to be included in the Progress Reports as specified in Condition 3 b) and 3 c) above.</p>	
<p>Appendix 1, Part 3, Condition 4 Consultative Committees</p> <p>Sub conditions 1 to 2 have been fully satisfied and closed.</p> <p>3. The focus of the RCCCs is to provide input to implementation of social impact mitigation and management strategies identified in the EIS process and receive and comment upon reports on the implementation of the Social Impact Management Plan (SIMP).</p> <p>4. The proponent must provide:</p> <ol style="list-style-type: none"> a. a clear and agreed Terms of References (ToR) for each RCCC developed in consultation with each of the chairs and members b. appoint Independent Chairs for each committee and provide out-of-pocket expenses for operational expenses, should it be required c. membership details to include representation from Regional and Shire Councils, State Government representative, Chamber of Commerce, Service Groups, peak bodies for industry, indigenous representatives, welfare providers, and community members. 	<p>QGC established six QGC Community Consultative Committees (CCC)s and have agreed Terms of References (ToR) with each of the chairs and members.</p> <p>An independent chair for each committee is funded by QGC and members represent the sectors of the community prescribed by the condition.</p> <p>These requirements have been independently audited and deemed compliant by a third party auditor.</p> <p>As mentioned in Appendix 1, Part 3, Condition 2, QGC will continue to run CCCs in areas where we have a significant presence and where our activity impacts on local communities.</p> <p>Our three continuing CCCs are:</p> <ul style="list-style-type: none"> • Northern Region CCC • Southern/Central Region CCC • Gladstone Region joint proponent collaborative CCC
<p>Appendix 1, Part 3, Condition 5 Resourcing of Consultative Committees</p> <p>The proponent must:</p> <p>1. Provide full resourcing of the secretariat for the RCCCs to cover Western Downs Regional Council, North Burnett and Banana Shire Councils and Gladstone Regional Councils for each of the QGC project components (Coal Seam Gas (CSG) field; areas impacted by the gas transmission pipeline; and the Curtis Island (LNG) as specified in Condition 4.3.</p> <p>Resourcing of Consultative Committees</p> <p>The proponent must:</p> <p>2. Provide support to each of the RCCCs as stated above in (1) including the requirement that the proponent:</p> <p>employ Community Liaison Officers and</p>	<p>QGC established six QGC Community Consultative Committees (CCC)s including four in the Western Downs, one in the Pipeline area (North Burnett and Banana Shire) and the Gladstone Region LNG Community Consultative Committee. In total, they met 121 times between 2010 and 2014 with minutes from all meeting available on our website.</p> <p>The Pipeline CCC has since finished as our project construction work in the Pipeline areas has been completed.</p> <p>QGC has funded and resourced the CCCs with appropriate levels of staffing. We provide secretariat services and have also arranged for independent chairs at our CCCs.</p>

Shopfront Staff in both Gladstone and Western Downs regions at a convenient access point for the local community

QGC has Social Performance teams in both Gladstone and Western Downs. Each team has four permanent full time staff members that interface with the community, implement social investment projects, manage community feedback and provide support to CCCs.

QGC is currently decentralising some responsibilities and activities conducted by Brisbane teams out to regional locations. The expanded scope of regional offices will include engagement with Traditional Owner Groups and local government.