

Gladstone Liquefied Natural Gas project:

Coordinator-General's change report no. 2— Increase in pipe transport

November 2013

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1. Introduction

The *Gladstone Liquefied Natural Gas – GLNG Project: Coordinator-General’s evaluation report for an environmental impact statement* (Coordinator-General’s report) was released in May 2010, pursuant to section 35 of the *State Development Public Works and Organisation Act 1971* (Qld) (SDPWO Act).

The proponent for the Gladstone Liquefied Natural Gas (GLNG) project is an unincorporated joint venture between Santos limited and Petroliam Nasional Berhah (PETRONAS), Total, and Korean Gas Corporation (KOGAS). The proponent is referred to as Santos GLNG in this change report.

1.1. Legislative provision for change report

On 9 October 2013, the proponent applied to the Coordinator-General to assess a proposed change to a project, under Division 3A, section 35B, of the SDPWO Act. In accordance with section 35C of the SDPWO Act, I have evaluated the environmental effects of the proposed change, its effects on the project and any other related matters, and prepared this Coordinator-General’s change report.

2. Public notification

In accordance with section 35G of the SDPWO Act, I must decide whether or not the proponent is required to publicly notify the proposed change application and any effects on the project.

The changes applied for do not materially affect the proponent’s obligations contained in the relevant conditions. Accordingly, I determined that the proposed changes did not warrant public consideration and the application for project change was not publicly notified prior to evaluating the proposed change.

3. The proposed change

The proposed change requests that Appendix 1, Part 2 (Transport), Condition 2 of the *Coordinator-General’s Report on the Gladstone Liquefied Natural Gas – GLNG project*, dated 23 May 2010, be amended.

Santos GLNG seeks to increase the quantity of pipes transported from Gladstone by road from that required for 70 kilometres (km) of the pipeline route to that required for 88 km of the pipeline route.

3.1. Proponent's reasons for change

Santos GLNG's change request states:

The ocean going vessel the "Thor Enterprise", bearing cargo of pipes shipped from India bound into Port Alma, was found to be contaminated on commencement of the discharge operation at Port Alma. Discharge of pipes from the vessel ceased immediately upon discovery of the contamination, and the vessel was rerouted to Gladstone Port. The pipes were unloaded and the cargo cleansed under strict conditions and quarantines supervision.

The effects of this diversion and the quarantine exercise was that an additional 18km of pipe was required to be offloaded into the Gladstone Port, exceeding the 70km of pipe previously estimated.

Subsequent efforts by the GLNG Project to organise movement of the pipe by rail have proven unsuccessful for multiple reasons including the existing rail capacity and the limits of the rail network. In addition, movement of the pipe by rail would require double handling from truck to rail and, following rail transport, a further offloading operation to truck for transport by road to the final destination, further South on the pipeline than the Moura rail end point permits. The additional handling and the process involved presents additional and avoidable dangers to the GLNG project workforce.

The proposed change will allow the GLNG Project to fully utilise all of the pipe it was required to offload at the Gladstone Port, and will avoid the difficulties and potential risks associated with rail transport of the pipe.

4. Evaluation of the change request

In evaluating this application for project change, I have considered the proponent's application for project change, dated 9 October 2013.

The amendments applied for are of a minor nature. It is my view that the amendment of Appendix 1, Part 2 (Transport), Condition 2 is warranted, as the change will not have environmental effects. The overall number of truck movements required to transport the pipes will be reduced from the originally proposed, 1945 truckloads, in the project EIS to 1834 truckloads. This is due to a reconfiguration by the contractor for the GLNG project, from three pipes to four pipes per load.

5. Conclusion

Pursuant to section 35I of the SDPWO Act, the evaluation of the Santos GLNG application for project change, dated 9 October 2013, concludes the following:

- the project changes requested by Santos GLNG will not affect the implementation of the GLNG project
- Appendix 1, Part 2 (Transport), Condition 2 of the Coordinator-General's evaluation report for the Gladstone Liquefied Natural Gas project should be amended.

Pursuant to section 35L of the SDPWO Act, the evaluation of the Santos GLNG application for project change, dated 9 October 2013, lapses on the same date as the Coordinator-General's report (under section 35A).

5.1. Revised conditions

Conditions made in this report are made pursuant to section 35I(2) of the SDPWO Act.

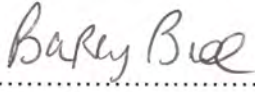
Former condition (as stated in the Coordinator-General's evaluation report of May 2010)	New condition
<p>Appendix 1, Part 2, Condition 2</p> <p>The proponent shall not discharge any pipes at Gladstone (Auckland Point or Port Central) unless the proponent submits a plan to GPC for its approval to limit the impact of noise during the discharge operations and:</p> <ul style="list-style-type: none">a) the quantity of pipes to be conveyed by road from the port is less than that required for 70km of the pipeline route; andb) the proponent has in place an agreement with Queensland Rail that all pipe products required for the gas transmission pipeline greater than 70km from Port Central will be transported by rail to, at least, Moura (or somewhere west of Gladstone to be agreed).	<p>Appendix 1, Part 2, Condition 2</p> <p>The proponent shall not discharge any pipes at Gladstone (Auckland Point or Port Central) unless the proponent submits a plan to GPC for its approval to limit the impact of noise during the discharge operations and:</p> <ul style="list-style-type: none">a) the quantity of pipes to be conveyed by road from the port is less than that required for 88 km of the pipeline route; andb) the proponent has in place an agreement with Queensland Rail that all pipe products required for the gas transmission pipeline greater than 88 km from Port Central will be transported by rail to, at least, Moura (or somewhere west of Gladstone to be agreed).

5.2. Distribution of change report

Pursuant to section 35J of the SDPWO Act, a copy of this report will be given to the proponent, and a copy will be made available at:

www.dsdip.qld.gov.au/assessments-and-approvals/glng-project-changes.html

As per section 35K of the SDPWO Act, the Coordinator-General's report on the EIS for the project, and the Coordinator-General's change reports, both have effect for the project. However, if the reports conflict the Coordinator-General's change report prevails to the extent of any perceived inconsistency.



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Barry Broe
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5 November 2013

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