

Meeting Minutes



QGC Central Gas Field Community Committee

Wednesday 11 June 2014
QCWA 53 Heeney St Chinchilla

1. Opening

The 19th meeting of the QGC Central Gas Field Community Committee was called to order at 09:05am on Wednesday 11 June at the QCWA Hall facilitated by Ms Deb Camden, Independent Facilitator.

2. Attendees

The following people attended the QGC Central Gas Field Community Committee meeting:

QGC Central Gas Field Community Committee Members	QGC Representatives
<ul style="list-style-type: none">• Bill Blake, Chinchilla Community Commerce and Industry• Don Bell, Chinchilla and District Landcare• Terri Cobb, Western Downs Regional Council• Katie Gould, Chinchilla Family Support• Jackie Beck, Chinchilla State High School	<ul style="list-style-type: none">• Brett Smith, Vice President Sustainability• Tracey Winters, Vice President Land & Environment• Stephen McCalmont, Area Asset Manager Central• Kristelle Townsend, Central Social Performance Coordinator
Apologies	Independent Facilitator
<ul style="list-style-type: none">• Doreen Goldsmid, Chinchilla Family Support Centre• Tim Reid, Condamine Cods• Leanne Evans, Chinchilla Community Unity Group	<ul style="list-style-type: none">• Deb Camden, PRISM Communication Architects

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3. Meeting agenda

The following items of business were discussed as per the meeting agenda:

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a. Introductions and meeting overview	<p>Deb Camden led roundtable introductions of Community Committee members and QGC representatives.</p> <p>Deb Camden gave a broad overview of the meeting format.</p>
b. Safety moment	<p>Deb Camden invited Committee members to share a safety moment.</p> <p>Kristelle Townsend provided a safety moment on the safe disposal of low energy light bulbs.</p>
c. Adoption of minutes	<p>Deb Camden asked the Committee to formally consider the March 2014 minutes and asked for suggested changes.</p> <p>The 5 March 2014 Central Gas Field Community Committee minutes were adopted.</p>
d. Actions from previous meeting	<p>Western Downs Housing Trust and Social Housing Letters</p> <p>A letter was received from John Cotter of the GasFields Commission Queensland in response to the letters sent from the Regional Community Committee about affordable and social housing. The letter was provided to community committee members and discussed. The letter outlined a number of key points:</p> <ul style="list-style-type: none"> • The Commission had been updated on the activities of the Western Downs Housing Trust and notes their progress since September 2013 • At present there is no information to demonstrate that affordable housing in the Western Downs remains a pressing issue, with a number of vacancies available in Chinchilla and Miles at what would be considered affordable rates • The Commission does not consider it to be part of their role to advise individual proponents on how they should meet their conditions and therefore cannot advise them to contribute to the Western Downs Housing Trust • The Commission would require more data that demonstrated social housing need was in great excess of supply to be able to raise the issue further with the State Government. <p>A committee member said the Department of housing had recently visited the Western Downs and met with Murilla Community Centre and Chinchilla Family support to cross check numbers of people requiring social housing.</p>

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	<p>Site Tour QGC is continuing to investigate an appropriate date and time for a site tour to Kenya Water Treatment Plant and will pass further details on to the committee when a time and date has been decided.</p> <p>Beneficial Use Water Scheme Kristelle Townsend enquired about the cancellation of the SunWater meeting and followed up with the community committee member to ensure they were informed of the rescheduled meeting details.</p> <p>The committee member said they attended the rescheduled meeting coordinated by SunWater. They said it was well attended by several of the business owners who take part in the beneficial use scheme. It was requested at the meeting for SunWater to hold more regular meetings and distribute the minutes from these meetings.</p> <p>Action: QGC to follow up with SunWater contacts regarding the meetings and discuss regularity and distribution of meeting minutes.</p> <p>QGC Update Brett Smith and Richard Schokman were invited to provide an update on expected workforce numbers in the Western Downs particularly with the business transitioning from peak construction to an operational period.</p> <p>The particular LNG fact sheet which Steve McCalmont was to provide to the committee was unable to be found, this may be due to it now being out of date and no longer available for public distribution.</p> <p>Environment Update Copies of QGC’s environment information booklet were provided to committee members.</p>
<p>e. Regional Community Committee Update</p>	<p>A Regional Community Committee member provided an update from the 27 February meeting. Key points were:</p> <ul style="list-style-type: none"> • A response from the GasFields Commission had been received • An update on the Western Downs Housing Trust was provided • Similar updates on the project, workforce figures, agistment and salt management would be provided at this meeting • The availability of support systems and employee assistance program for changing workforces was raised and QGC was linking community service groups with information

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	<p>from QGC’s human resources department to assist with referral pathways.</p>
<p>f. Community feedback</p>	<p>Deb Camden invited Committee members to share feedback from their networks.</p> <p>Changing employment A committee member said they had heard there was going to be more staff redundancies at QGC in the near future.</p> <p>Brett Smith said that within QGC there were two types of departments - Operations and Projects, with some staff permanently employed and others on fixed-term contracts. Recruitment is being finalised for Operations. As the QCLNG Project moved from construction to Operations there would be reductions in the number of contracted Projects staff who were required.</p> <p>Chinchilla State High School The Chinchilla State High School representative was asked how many students currently attended the school and whether the school’s enrolment levels had been affected by growth in the area.</p> <p>The committee member said that Chinchilla State High School attendance was stable at approximately 500 students. An additional 80 – 100 students will join the school next year with grade 7 students transitioning to high school. Staffing numbers change annually and are determined by student enrolments.</p> <p>Mental Health Forum A committee member attended the recent Men’s Health forum in Chinchilla. Three events were held throughout the Western Downs in Miles, Tara and Chinchilla. Guest speaker, Craig Hamilton, spoke about his experience with bi-polar disorder and depression. There was positive feedback from the community and men attending the event spoke about their individual experiences. Attendance from the CSG industry was minimal and is an audience the organisers would look to try and capture more for future events.</p> <p>Action: Kristelle to discuss learnings from the “Awesome Night Out” event with the respective community committee member.</p> <p>Committee Representation A committee member raised the lack of representation at the Central Community Committee and noted that this is something that should be addressed.</p> <p>Brett Smith responded that this is one area of interest within the community committee health check. Community members were encouraged to recommend other possible representatives as feedback within the community committee health check.</p>

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<p>g. QGC Update</p>	<p>Stephen McCalmont, Area Asset Manager Central provided the Committee with a Central and QCLNG Project update.</p> <p>Major Activities Ongoing</p> <ul style="list-style-type: none"> • Bellevue Central Processing Plant (CPP) – nearing mechanical completion • Matilda John, Kate and McNulty Field Compression Stations (FCS) – nearing mechanical completion • Commissioning of McNulty wells and de-watering progressing • Drilling in Avon Downs block. <p>Major Activities Planned</p> <ul style="list-style-type: none"> • Matilda John FCS, McNulty FCS, Kate FCS and Bellevue CPP commissioning • Drilling, gathering and wellsite facility construction in Avon Downs (Cameby Downs mine area) • Commissioning of additional wells. <p>QCLNG Progress</p> <ul style="list-style-type: none"> • Drilling remains ahead of schedule • Ruby Jo Central Processing Plant and all six Field Compression Stations complete • Export Pipeline completed and gas delivered to Curtis Island in December 2013 • Commissioning commencing at LNG plant • Land access for >2,000 wells, >1,900 drilled • Central area production 316TJ/d, once fully running Central area wells should produce up to 500TJ/d • Currently Ruby Jo area producing approximately 100TJ/d, once running at full capacity it will produce a total of 440TJ/d • QGC on track to fill the first LNG train by end of 2014. <p>The committee had several questions relating to the update. Key points included:</p> <ul style="list-style-type: none"> • An LNG train is a metaphor used for the equipment that cools natural gas to a liquid for export • An LNG vessel can hold approximately 3300 terajoules of energy in one cargo. • At full production approximately one ship will be exported from the LNG plant every three/four days • The employees who work on construction projects are used to being highly mobile and generally understand that it is the nature of the industry to move from project to project. Many of the project’s staff have now moved to QGC’s northern site at Woleebee Creek and are finalising construction there • “Commissioning wells” means turning the wells on • QGC has worked to improve its negotiations with landholders and prioritising coexistence when working with

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	<p>them to locate wells and access tracks</p> <p>Overall explanation of the project Steve explained a simple schematic of the QCLNG project.</p> <ul style="list-style-type: none"> • A well is drilled into the coal seam, normally between 300 and 800 metres deep, and water is pumped out, allowing the natural gas to flow. • The gas is compressed and processed, then sent through a 540 kilometre-long pipeline to our LNG plant on Curtis Island. • On Curtis Island, the gas is liquefied and prepared for export. • Meanwhile, water from the wells is sent to storage ponds before being processed at our water treatment facilities. Once the water is treated, it is supplied to SunWater, which provides it to customers. <p>QGC Tenements A map of the QCLNG tenements was shared with the committee.</p> <p>A committee member questioned given the extent of the tenements where would QGC extend to next?</p> <p>Steve McCalmont responded that at this phase QGC has exploration activities in the Bowen and Cooper Basins. This does not mean that the company will extend into these regions but they are investigating to assess the areas suitability for potential future development.</p> <p>A committee member asked the difference between conventional and unconventional gas.</p> <p>Steve McCalmont said that the gas had the same content - methane. However the extraction processes were different. Conventional gas is generally extracted from materials and deposits in cracks within lime/sandstone. Unconventional gas, such as CSG is associated with coal deposits that hold gas due to water pressure.</p>
<p>h. Key Topic Update</p>	<p>Brett Smith provided an update on several key topics:</p> <p>Workforce strategy 2014 and beyond</p> <ul style="list-style-type: none"> • Construction workforce numbers (QGC and contractors) will continue to reduce in 2014-15 as we transition from construction to long-term operations • Construction workforce has reduced by ~2,000 in the past six months • Workforce of ~2,500 (QGC and contractors) to be employed in the Surat Basin over the next 20-25 years • 600-800 will be linked to drilling, construction and

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	<p>connection of new wells and therefore will operate out of small camps on a FIFO/DIDO basis</p> <ul style="list-style-type: none"> • QGC and its major construction contractors prefer and encourage employees to live locally • We understand however that the modern skilled workforce want alternatives – thus fly in, fly out and drive in, drive out options will continue to be offered. <p>A committee member asked whether QGC actively encouraged employees to live locally.</p> <p>Brett Smith said that while the company encouraged permanent staff to live locally, some roles, such as construction and drilling, were not necessarily suited to staff residing in one area long-term. Therefore the company has to offer choices such as fly in, fly out and drive in, drive out to attract the appropriately skilled staff.</p> <p>Committee members asked a variety of other questions related to staffing:</p> <ul style="list-style-type: none"> • At present there are approximately 300 local employees directly employed through QGC living in the Surat Basin • QGC staff and contractors are being encouraged to stay and live locally • Incentives to live locally are mainly offered through housing incentives • QGC is similar to other proponents in terms of the number of staff residing locally. <p>Action: QGC to identify the percentage of staff residing locally within Chinchilla.</p> <p>Rural Property Management</p> <ul style="list-style-type: none"> • QGC has bought about 60,000 hectares of land for construction of major infrastructure • QGC has offered 43,000 hectares to share-farmers or agistors under short-term agreements • Most agreements are nearing the end of their terms and some properties need spelling • While QGC is not extending these leases, no leases have been ended prior to the agreed lease period • At present QGC has approximately 40 leasing agreements in place • Managing and maintaining this number of lease arrangements is complex and costly to the business, therefore QGC is looking to create a more manageable strategy which will combine leased properties available for longer lease periods • New leases will include maintenance requirements from agistors and properties will be offered out to tender through an open and transparent tender process

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	<ul style="list-style-type: none"> • QGC will re-offer the properties for farm production with terms and conditions still to be decided • QGC wants the properties to be operated safely, maintained to a high standard e.g. kept free of feral animals and plants, and used sustainably to contribute to the agricultural potential of the region. <p>The committee had a number of questions and comments about rural property management:</p> <ul style="list-style-type: none"> • QGC initially offered short-term lease agreements, six-months to one-year long • New lease agreements will be a minimum of 5-years • QGC has spent approximately \$2.5 million renovating 15 houses on QGC's properties • About 1/3 of the current leases are vendors from whom QGC purchased the properties • A committee member said the community would not be opposed to current leases being extended for those vendors who are residing on their properties • QGC is tendering the new leasing arrangements similar to other commercial enterprises • QGC is continuing to put together the tendering process and its terms and conditions. Once determined, potential agistors will be advised of the requirements • Some properties needed to be spelled and therefore leases were not renewed. <p>Water Management Update Brett Smith provided an update on QGC's water management procedures:</p> <ul style="list-style-type: none"> • QGC aims to make 97% of all produced water available for beneficial use • QGC has a partnership with SunWater, which supplies treated water to customers through two schemes: <ul style="list-style-type: none"> ○ Chinchilla Beneficial Use Scheme ○ Dawson Beneficial Use Scheme (2015) ○ At full capacity the schemes will supply up to 200 ML/d ○ Supply to agriculture, industry and town supplies. <p>Some questions were raised with regards to QGC's beneficial water use scheme. Key points were:</p> <ul style="list-style-type: none"> • Supply through the scheme has been delayed • Water supply is currently about 40% of what was planned • Construction of the water treatment plant was approximately 12 months behind schedule • Landholders had made capital investment based on expected water supply • Landholders should receive larger quantities of supply towards the end of 2014.

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	<p>Chinchilla Weir Water Supply Scheme</p> <ul style="list-style-type: none"> • Treated water supplied to SunWater • Water from Central WTP flows through 22km pipeline to Chinchilla Weir • ~20 farmers have agreements with SunWater to purchase water and off-take from the pipeline • Current supply rate ~20ML/d • Supply rate forecast to increase to 60ML/d over the next year <p>Dawson Valley Water Supply Scheme</p> <ul style="list-style-type: none"> • Construction advancing at Northern Water Treatment Plant, west of Wandoan • Commissioning scheduled to be finished in early 2015 • Capacity of 100ML/d • SunWater has built a 120km pipeline from the plant to the Glebe Weir on the Dawson River, north of Taroom • Treated water to be made available for beneficial use by customers along the pipeline with the remainder supplied to customers within the Dawson Valley Water Supply Scheme. <p>While QGC makes 97% of its water available for beneficial use, 3% is unable to be used due to salt saturation. Approximately 600,000 tonnes of salt will be produced each year equating to approximately 4 – 4.5million tonnes of salt throughout the life of the QCLNG project. There were four potential options for salt management.</p> <p>Ocean outfall</p> <ul style="list-style-type: none"> • Piping brine to be dispersed into the ocean at Tugun on southern Gold Coast • Would require up to 600km of mainland pipelines • Much of the pipeline corridor would traverse heavily populated areas in Brisbane and the Gold Coast and prime agricultural land • Not feasible <p>Selective salt recovery</p> <ul style="list-style-type: none"> • Involves separating particular salts and transforming them into saleable products for market • Pilot program – \$20 million over two years • 125 km brine pipeline required, passing through 40 agricultural properties • Salt products transported by road or rail from Miles to Port of Brisbane • Cost of production and transport would be at least four times more than the value of the product • Technology risk remains too high to proceed • Not feasible <p>Injection</p> <ul style="list-style-type: none"> • Involves injecting brine back into suitable underground

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	<p>geological structures</p> <ul style="list-style-type: none"> • Potentially feasible where there are natural underground structures that are geologically isolated and do not contain groundwater or provide potential supplies of potable or agricultural water • No suitable underground structures available to QGC • Not feasible for QGC <p>Encapsulation</p> <ul style="list-style-type: none"> • This is the base case of each project’s environmental impact statement (EIS) and has been approved by the government • QGC’s environmental approvals strictly regulate how encapsulation facilities are constructed and operated, to protect the environment • QGC is now in the process of exploring: <ul style="list-style-type: none"> ○ Design of the facility; and ○ Location, with preference for QGC property close to water treatment plants <p>Make Good</p> <ul style="list-style-type: none"> • QGC is continuing to execute and implement make good agreements with landholders whose water bores have been impaired due to CSG activities.
<p>i. SIMP Report</p>	<p>QGC has committed to report to the QGC Regional Community Committees on key topics biannually. Brett Smith provided an update on the Biannual SIMP Report. Key points were:</p> <p>Integrated Housing Strategy</p> <p>Western Downs Housing Trust Property Portfolio</p> <ul style="list-style-type: none"> • Longford Lane, Wandoan <ul style="list-style-type: none"> ○ 2 x 2 bed, 2 x 3 bed, Under construction (March) • Barber St, Chinchilla <ul style="list-style-type: none"> ○ 3 x 2 bed, 2 x 3 bed, DA and contractor approved, Construction to commence shortly • Ross St, Miles <ul style="list-style-type: none"> ○ Land purchased and DA with council • Four houses leased from QGC, all occupied, 2 in Chinchilla, 1 in Tara, 1 in Miles. <p>QGC Contributions</p> <ul style="list-style-type: none"> • \$200,000 towards WDRC Housing Strategy • \$5.7 million towards the Western Downs Housing Trust + participation on the committee • \$2 million towards WDRC water infrastructure upgrade in Wandoan (via a water supply agreement) • Commitment to develop up to 40 houses in the Western Downs, including eight previously vacant houses repaired for QGC workers and ten new homes to be leased to community organisations.

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	<p>Local industry and employment participation Upstream</p> <ul style="list-style-type: none"> • QGC and its major contractors continue to source local industry opportunities for supply and subcontracting during the most recent six-monthly reporting period (October 2013 to March 2014) • 1006 Australian businesses registered interest, consisting of 261 businesses associated with upstream activities, 33 Gladstone-based, 362 businesses located throughout the rest of Queensland and 350 across the rest of Australia • The suppliers section of QGC’s website now offers more information and functionality, including a suppliers’ registration page and a list of major contractors. <p>Employment – QGC and contractors</p> <ul style="list-style-type: none"> • QGC and its major contractors employed about 12,400 people, as at April 2014. This represents: <ul style="list-style-type: none"> ○ A decrease of 2,000 workers since September 2013 ○ Decrease in total QCLNG workforce since the last report (September 2013) partially offset by rise in QGC’s permanently employed workforce as we transition from a project (i.e. contractor) to an operating (i.e. permanent) workforce ○ About 88% of workers are male ○ About 321 indigenous people are employed. <p>Local employment</p> <ul style="list-style-type: none"> • QGC and its contractors continued to employ local people <ul style="list-style-type: none"> ○ 26% of the QCLNG workforce was employed from within the project area ○ 44% were employed from outside the project area but are Queenslanders ○ 30% of employees were from other parts of Australia, overseas, or unassigned at time of reporting <p>Training for the natural gas sector</p> <ul style="list-style-type: none"> • In the six months to April 2014, QGC staff and contractors completed >38,000 work-based training courses. This included 1163 courses completed by ATSI trainees • 190 apprentices and 117 trainees were employed during the reporting period. <p>Strengthening local chambers program</p> <p>QGC has been working with local chambers of commerce in Gladstone and the Western Downs to:</p> <ol style="list-style-type: none"> 1. Build the capacity of local chambers to more effectively represent and promote local businesses 2. Build a sustainable economic environment 3. Support community cohesion and enhance liveability of communities within the QCLNG Project footprint.

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	A committee member commented on the work which QGC and Social Ventures Australia had been doing with the local chambers. Western Downs Chambers had received a lot of support from the program including modelling tools. QGC has recently been working with CCIQ on an outsourcing model, which would assist local chambers to take advantage of some of the CCIQ benefits without having to take on the CCIQ branding.
j. Items for next agenda	Deb Camden invited the Committee to propose agenda items for the next meeting. <ul style="list-style-type: none">• Findings from the community committee health check• Further briefing on brine solutions and strategy.

4. Meeting Close

The meeting was closed by Deb Camden at 11.50am.

The next QGC Central Gas Field Community Committee meeting will be on Wednesday 11 September 2014 from 9:00am to 11:30am at the QCWA Hall, 53 Heeney Street Chinchilla.

5. Central Gas Field Community Committee Members

Representative	Organisation
Don Bell	Chinchilla and District Landcare
Leanne Evans	Chinchilla Community Unity Group
Doreen Goldsmid	Chinchilla Family Support Centre
Tim Reid	Condamine Cods
Bill Blake	Chinchilla Community Commerce and Industry
Terri Cobb	Western Downs Regional Council
Jackie Beck	Chinchilla State High School