

Meeting Minutes



QGC Southern Gas Field Community Committee

Thursday 4 December 2014

Tara Customer Service Centre, Fry Street, Tara

1. Opening

The 20th meeting of the QGC Southern Gas Field Community Committee was called to order at 2.27pm on Thursday 4 December 2014 at the Tara Customer Service Centre, facilitated by Ms Deb Camden, Independent Facilitator.

2. Attendees

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

QGC Northern Gas Field Community Committee Members	QGC Representatives
<ul style="list-style-type: none">Beth Wood, Dalby Welcoming CommitteePatricia Peck, Wieambilla South Country ClubMichael Taylor, Wieambilla South Country ClubGayle Porter, Tara Futures GroupRos Wade, Tara Neighbourhood CentreColleen Rasmussen, Dalby Health ServiceDean Russell, Dalby State High SchoolLiesa Finch, Myall Youth and Community NetworkSharon O'Shea, Western Downs Regional CouncilJayne Swift, Ozcare	<ul style="list-style-type: none">Jane Roberts, Social Investment ManagerLizzie Staines, Manager Land, Strategy & PerformanceElizabeth Cooney, Community Engagement ManagerLeighton Profke, Lead Land Access Consultant South & CentralKristelle Townsend, Social Performance Coordinator
Apologies	Independent Facilitator
	<ul style="list-style-type: none">Deb Camden, PRISM Communication Architects

Meeting Minutes



3. Meeting agenda

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

Agenda item	Details
a. Introductions and Meeting overview	Deb Camden led roundtable introductions of committee members and QGC representatives, gave a broad overview of the meeting format and acknowledged the traditional owners of the land, recognising past and present elders.
b. Safety moment	<p>Deb Camden invited Committee members to share a safety moment.</p> <p>Kristelle Townsend reminded committee members to be aware of snakes during the warmer months.</p>
c. Adoption of Minutes	<p>Deb Camden asked the Committee to formally consider the 11 September 2014 minutes and asked for suggested changes.</p> <p>The 11 September 2014 Southern Gas Field Community Committee minutes were adopted by the Committee.</p>
d. Actions from previous meeting	<p>Deb Camden reviewed the actions from the previous meeting.</p> <p>New Sewage Facility Further information on the new sewage facility being constructed at the Crossroads near Chinchilla should be sourced from Western Downs Regional Council due to this being a privately owned facility which is not owned by QGC.</p> <p>QGC Community Information Centre QGC can accept CV's at their community information centres, however the business does not have the resourcing to keep track of the large volume of interested candidates therefore it is in the best interest of those looking for roles to regularly check the QGC website and apply for roles specific to their expertise.</p> <p>Regional Resource Development At the previous meeting committee members queried whether QGC had any information on a proposed open-cut coal mine near the intersection between the Chinchilla-Tara Road and Mary's Road. QGC has no further information on this and recommends community members contact the Department of Natural Resources and Mines should they wish to clarify any information.</p> <p>QGC Employees QGC has a safe driving policy which requires staff not to travel more than one hour to/from their place of work. While QGC does not require local staff to be located in a particular region within the Western Downs, adherence to this policy is required.</p>
e. Regional committee representative feedback	<p>Ros Wade, Regional Community Committee Representative provided an overview of the regional community committee. Key points were:</p> <ul style="list-style-type: none"> • A key highlight of the meeting was the tour of QGC's Upstream Control Room located in QGC's Chinchilla office

Meeting Minutes



Agenda item	Details
	<p>on the Warrego Highway</p> <ul style="list-style-type: none"> • Committee members were impressed by the level of complexity of the system and its ability to monitor the entirety of QGC's field infrastructure. In particular its ability to diagnose issues and manage a safety incident should it occur • An update on QGC's transition to operations was also provided and a similar presentation would be provided to all of QGC's local community committees • Regional issues such as the challenges and opportunities which are facing the region as the area transitions were discussed in addition to climate change, extreme weather events and regional mental health needs which the Consortium of Community Centres were working to collaborate on and address.
<p>f. Community feedback</p>	<p>Deb Camden invited committee members to present questions or comments to QGC.</p> <p>A committee member recommended QGC better inform the broader community regarding the the high level of technology utilised by the business in the Upstream Control Room. Community safety concerns around the coal seam gas development could be alleviated if community members were better informed about how closely the entire field infrastructure is being monitored.</p> <p>A committee member enquired as to whether QGC has started to export its first LNG cargo yet.</p> <p>Beth Cooney responded that while QGC has not yet exported any gas, the business is on track to achieve first saleable gas by the end of 2014.</p>
<p>g. QGC Update</p>	<p>Elizabeth Cooney, Community Engagement Manager provided the Committee with a QCLNG project update. Key points discussed include:</p> <p>Transition to Operations</p> <ul style="list-style-type: none"> • The initial construction phase of the Queensland Curtis LNG (QCLNG) project is nearing completion • We are preparing to commence LNG production in a world first • Detailed planning is underway to shift our focus from project deliverables to efficient operating performance over a two year transition period • We will continue to invest in the communities in which we operate. <p>QCLNG project – Phase I scope/status</p> <p>Within the Upstream the following progress has been made:</p> <ul style="list-style-type: none"> • 2,060 access agreements • >2 000 wells available for start-up • 3,500km gathering pipeline now laid

Meeting Minutes



Agenda item	Details
	<ul style="list-style-type: none"> • 17 field compression stations (FCSs) • 4 central processing plants (CPPs) • major water treatment facilities • 540km pipeline is constructed. <p>On Curtis Island, the LNG plant has 2 completed trains, with a capacity of 8.5 mtpa (million tonnes per annum)</p> <ul style="list-style-type: none"> • 1.3 bcf/d (billion cubic feet per day) is required for plateau production • The LNG plant took 10 million hours of construction and 45,000 tonnes of equipment. <p>Curtis Island continues to be commissioned in preparation for first LNG export. Key pieces of equipment which the LNG plant consists of includes:</p> <p>2 LNG storage tanks:</p> <ul style="list-style-type: none"> • Each tank can hold 140,000 cubic metres of LNG • Each tank is 48 metres high • The roof of each tank is 79 metres wide and weighs 900 tonnes • The inner tank within each tank has a circumference of 250 metres <p>Process flare:</p> <ul style="list-style-type: none"> • 95m high <p>Water Production</p> <ul style="list-style-type: none"> • QGC aims to make up to 97% of all CSG water produced available for beneficial use • QGC supplies water to SunWater for distribution to the Chinchilla Weir and irrigators • Kenya Water Treatment Plant produced more than 20,000ML since January 2013 • Over summer, expect to maintain at least 50ML per day • Northern Water Treatment Plant is under construction near Wandoan • Once complete this facility will extend distribution to Glebe Weir • Total combined capacity to treat almost 200ML a day during peak production approximated to be in 2016. <p>Total workforce numbers</p> <ul style="list-style-type: none"> • Peak workforce of 14,500 achieved in November 2013 • Ramp down between 2013 and 2015 dominated by major contractor demobilisation: <ul style="list-style-type: none"> ○ upstream contractors, Thiess in 2014 ○ midstream contractors, Bechtel in 2015 • By the end of 2014, workforce numbers will have reduced by 45% to approximately 8,000 • Over 2015, they will almost halve again as our major contractors midstream demobilise • Recruitment for main operational workforce is complete

Meeting Minutes



Agenda item	Details
	<ul style="list-style-type: none"> • Long term we are working towards a sustainable workforce level of around 3,400 employees and contractors • It will take about three years to reach this level through the evolution of the business • The business is working towards a steady level workforce in approximately 2016 • Long term, the majority of the contractors (estimated 2,000) will continue to be based Upstream • We are continuing to invest in drilling, gathering and trunklines and associated infrastructure. <p>Local workforce planning</p> <ul style="list-style-type: none"> • QGC needs to have the right people, in the right roles and in the right place • We prefer and encourage our people to live within the communities in which we operate • Gladstone employees live locally in the Gladstone region • Upstream workforce planning is aiming to increase the percentage of our employees living within the region. <p>We are developing a plan for 2015 which takes into consideration a number of factors:</p> <p>Location: Operational bases established</p> <ul style="list-style-type: none"> • QGC's main operations base is now established in Chinchilla. <p>Role design:</p> <ul style="list-style-type: none"> • The number of roles required on a 24x7 basis, day and night shift basis, will reduce once fully operational • Maintenance and well site operational strategies will see more people working a normal week, day shift only • Further developments as the business learns from the early experience of operating the various pieces of major infrastructure. <p>Housing:</p> <ul style="list-style-type: none"> • QGC has 33 houses in the Western Downs. Eight are temporarily leased to non-QGC key workers/Western Downs Housing Trust • No plans at present to sell any of these houses • Investigating how these can be utilised to attract and retain local employees. <p>Supporting services: capacity, procurement and future demand for:</p> <ul style="list-style-type: none"> • Flight services <ul style="list-style-type: none"> – Continuing to fly into Chinchilla. Conversations commenced with Banana Council regarding use of Taroom airport • Camps – ours and third parties <ul style="list-style-type: none"> – Demobilisation of camps is being planned in stages for

Agenda item	Details
	<p>third party camps future requirements are likely to be around half the number of beds used in the past 3 years, approximately 300 – 400.</p> <p>A committee member asked how many QGC staff would live in Dalby.</p> <p>Beth Cooney responded that there is a large business incentive for QGC to encourage employees to live locally and therefore QGC is developing a new local workforce plan for 2015 which will take into consideration incentives to encourage staff to live locally. Through the plan, QGC cannot insist on where people live within the Western Downs as long as their location is in line with company policy such as the safe driving and fatigue management policy. Fly in, fly out and drive in drive out positions will still be required to ensure the business retains the skills required to run and manage the business.</p> <p>A committee member asked who presently manages the Ruby Jo camp and whether there is an opportunity for this service to provide more local content opportunities.</p> <p>Beth Cooney responded that this will depend on where the camp fits within the present demobilisation plan and the contractual agreement with the business.</p> <p>QGC's Integrated Housing Strategy</p> <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 Reference Board • \$2 million towards WDRC water infrastructure upgrade in Wandoan (via a water supply agreement) • 27 houses in Western Downs completed, with 5 under construction • Eight QGC houses leased to community organisations <ul style="list-style-type: none"> – 4 x Western Downs Housing Trust – 2 x Queensland Health – 2 x Indigenous Business. <p>Procurement Strategy</p> <ul style="list-style-type: none"> • Committed to giving local, Queensland and Australian suppliers full, fair and reasonable opportunity to participate in QCLNG • As we move into operations, we know that increased local content directly through QGC is a critical part of how we work in the community • Support the industry's voluntary Code of Practice for Local Content • QGC strategy aims to: <ul style="list-style-type: none"> – Increase local supplier capability – Develop and maintain local content in the supply chain • Methods to drive local content:

Agenda item	Details
	<ul style="list-style-type: none"> - Enhanced supplier capacity and engagement - Robust internal processes and resources - Improved reporting, monitoring and evaluation • Major contractor compliance with local content obligations • On the 11 December CCCI, Toowoomba and Surat Basin Enterprise and the Queensland GasFields Commission are hosting a Chinchilla CSG Local Content Forum focusing on the operations activities and supply chain opportunities in our region. All CCCI members are invited to attend in addition to other local Chambers. <p>Building local content</p> <ul style="list-style-type: none"> • Pre-qualifying local suppliers <ul style="list-style-type: none"> - Part of the Achilles First Point Supply base community - community supplier management system for pre-qualifying suppliers to the major oil and gas buying organisations in the Asia Pacific • Contract reviews <ul style="list-style-type: none"> - Major contracts now let so focus now on maintaining and managing contracts - Some contracts due for review in 2015 • Sub-contracting opportunities <ul style="list-style-type: none"> - Contractors required to support Local Content and Indigenous Participation - Contractors obliged to: <ul style="list-style-type: none"> ○ Provide full, fair and reasonable opportunity for local content participation ○ Maximise opportunities for Indigenous people and enterprises - Requires delivery of plans, annual reports required on performance and audits • Strengthening Local Chambers Program <ul style="list-style-type: none"> - Consulting support provided to 6 local Chambers of Commerce across the Western Downs to develop strategic plans during 2014 - New \$440,000 partnership announced with Queensland Chamber of Commerce and Industry to continue support - Building the capacity of local Chambers of Commerce to grow memberships and facilitate business development - Three elements: <ul style="list-style-type: none"> ○ Technology – website and customer relationship management system ○ CCIQ membership services – employer assistance call centre, advice, insights and education ○ Workshops – on subjects relevant to their members and communities. <p>Future profile of QGC</p> <ul style="list-style-type: none"> • Operator producing natural gas from coal seams for domestic markets and LNG for international markets • Contracts to support local and domestic markets are in place until 2032

Meeting Minutes



Agenda item	Details
	<ul style="list-style-type: none"> • Continuing to develop upstream infrastructure for which a contract workforce will be required • Operations characterised by: <ul style="list-style-type: none"> – More of our people living locally in regional communities – Local content contributions to procurement directly and indirectly • A company which continues to work closely with and invest in the communities in which we operate. <p>Leighton Profke provided a general Upstream Operations update to the committee on QGC's Major Infrastructure Development:</p> <ul style="list-style-type: none"> • QGC's core upstream infrastructure is being delivered in line with schedule • The Ruby Jo Central Processing Plant is operational, along with the six field compression stations that feed into it. This infrastructure plays a key role in supplying gas for our first exports. • Bellevue CPP is now on line and supplied by three FCS. • Kenya Water Treatment Plant operational since October 2013. • Northern Water Treatment Plant on track for completion in Q1 2015 • Commissioning of the gas turbine generators has begun on Curtis Island.
<p>h. Key Topic Update</p>	<p>Lizzie Staines Manager Land, Strategy & Performance, provided an update on key environmental topics of interest. Key points discussed include:</p> <p>Salt Management Update Salt encapsulation</p> <ul style="list-style-type: none"> • Regulated waste facilities are authorised in QGC's EAs and were identified in the QCLNG EIS as the base case for salt management • QGC has spent \$20 million investigating technologies to treat salt for commercial use. None of these technologies is feasible • No viable injection targets • Salt can be safely encapsulated on two QGC-owned sites at the Central and Northern Water Treatment Plants using reliable and proven technology • Both sites separated from good quality agricultural land and fresh water aquifers • Both sites above all recorded flood levels, including 2011 and 2013 • QGC's salt encapsulation strategy represents a safe long-term solution • The facilities will be managed by a specialist waste management company • Finalisation of the contract for management and

Agenda item	Details
	<p data-bbox="592 315 1078 347">maintenance of the facility is ongoing</p> <ul data-bbox="544 349 1289 421" style="list-style-type: none"> • Design of the facility is still being finalised and further updates will be provided at future meetings <p data-bbox="496 450 895 481">Rural property management</p> <ul data-bbox="544 483 1378 864" style="list-style-type: none"> • Moving to a longer term, larger scale rural property management approach • Implementing this as existing agreements come to an end • Expect EOI to be advertised shortly in local newspapers. The expression of interest period will run from December 2014 to February 2015 • The criteria used to assess the tenders will include commitment to local communities and youth in agriculture in addition to a comprehensive 5 year business plan • Working with existing agistors to manage any short term arrangements <p data-bbox="496 898 842 929">Strategic Cropping Land</p> <ul data-bbox="544 931 1390 1312" style="list-style-type: none"> • State Government is presently finalising its decision and landholders will receive written notification shortly, an appeal period is then available should landholders wish to raise any concerns over the decision • No major issues have been raised in the last several months • QGC expect to be able to provide a more detailed update at the next meeting • QGC learnt some valuable lessons from the process including the importance of proactive engagement to explain its position to landholders e.g. information sessions ahead of time. <p data-bbox="496 1346 1075 1377">Landholder drop-in information sessions</p> <ul data-bbox="544 1379 1385 1861" style="list-style-type: none"> • Landholder drop-in information sessions were held in Dalby, Chinchilla, Wandoan, Taroom, Biloela, Gladstone I from Monday 24 November to Friday 28 November 2014 • The purpose of these sessions was to provide landholders with the opportunity to engage face-to-face with QGC and also to talk to landholders about important safety information and working around QGC infrastructure above and below ground • Additionally, QGC wants to keep landholders updated on our project and what activities are being undertaken in their local region • A number of QGC representatives from a range of different areas within QGC attended the sessions to answer questions and provide advice. <p data-bbox="496 1895 1294 1957">Environmental Protection and Biodiversity Conservation (EPBC) Referral</p> <ul data-bbox="544 1960 1382 2063" style="list-style-type: none"> • QGC has lodged an application to develop up to 400 natural gas wells on land about 20km west of Wandoan in the north of the Surat Basin. (ATP 852, ATP 768 and PLs 401, 464,

Agenda item	Details
	<p>467, 498, 505 and 506 (over 123,500ha about 20km West of Wandoan)</p> <ul style="list-style-type: none"> • The area involves about 50 landholders and construction of up to three gas compression facilities, water and gas gathering pipelines and supporting infrastructure such as access roads and laydown areas • Development will take place on a maximum of about 2500ha, or 2% of the area, with up to 1,400ha affected at any one time • Preliminary documentation was available for public review & comment from 31 July to 27 August 2014 • Small number of submissions received • Responses to issues raised have been provided to Federal Government • Federal Government still considering application under EPBC Act for Surat Basin Acreage development however we anticipate a final decision by government over the coming weeks • We expect to be able to provide a more detailed update at the next meeting.
<p>i. Social Investment Program</p>	<p>Jane Roberts, Social Investment Manager provided an update on QGC's Social Investment Program. Key discussion items were:</p> <p>QGC Social Investment Program</p> <p>The final QLNG Social Impact Management (SIMP) report to Government is due in 2015. The SIMP included impact mitigation and management activities as well as voluntary social investment for the key construction phase of the project from 2010 – 2014.</p> <p>A new voluntary Social Investment program has been developed for QGC's ongoing commitment to social investment in the region from 2015 onwards.</p> <p>Our vision for the social investment program is to contribute to strong, diversified economic growth and sustainability in the communities where we live and work. From 2015, QGC's Social Investment Program will have three themes:</p> <ul style="list-style-type: none"> • Investing in science, technology, engineering and maths (STEM) education • Supporting enterprise development; and • Enhancing regional liveability. <p>Investing in STEM education</p> <ul style="list-style-type: none"> • Aims to improve attitudes towards STEM and encourage students to take up STEM careers • QGC is pursuing partnerships with leading Queensland based organisations to co-design innovative STEM education programs • We will continue to support programs in primary and high

Meeting Minutes



Agenda item	Details
	<p>schools in the Western Downs.</p> <p>Supporting Enterprise Development</p> <ul style="list-style-type: none"> • Aim to contribute to the thriving and diverse entrepreneurship culture and business sector in Queensland • We are investing in programs to build the capacity of start-up SMEs and existing small businesses • We will support and build the capacity of organisations and other entities that provide the services required to nurture start-ups and entrepreneurs. <p>Enhancing Regional Liveability</p> <p>We will partner with local people and organisations to contribute to sustainable local communities. Key areas of focus are:</p> <ul style="list-style-type: none"> • Community safety programs, including fire and road safety • Safety and amenity of Gladstone Harbour • Increase access to regional health services • Improve local facilities and build organisational capacity through the QGC Communities Fund. <p>QGC Communities Fund</p> <p>Key element of enhancing regional liveability theme</p> <p>Aims to contribute to the sustainability of community groups and organisations in three priority areas:</p> <ul style="list-style-type: none"> • Skills development • Service and organisational • STEM education. <p>The fund opens February 2015 and two funding rounds per year will be held. A similar decision making panel of three community representatives and three QGC representatives will be used to assess applications. Information sessions on the program will be held early in 2015.</p> <p>QGC will continue to have a long term commitment to the communities in which we operate and will look to deliver benefits throughout South East QLD.</p> <p>Committee members had some questions or comments on the program. Key points were:</p> <ul style="list-style-type: none"> • In order for children to take interest in STEM subjects any initiatives held in schools need to be fun to better engage the students • Application forms for the QGC Communities Fund will be updated and placed on the QGC website when the fund opens in February 2015. While some elements of the application may differ, overall the fund will have similar requirements to the past fund.
<p>j. Items for next agenda</p>	<p>Beth Cooney led discussion and invited feedback on how the committee may evolve as QGC moves forward into operations. Key</p>

Meeting Minutes



Agenda item	Details
	<p>points include:</p> <ul style="list-style-type: none"> • QGC values the committees and the feedback provided to the business through them • QGC had also discussed the future of the committee with the North, Central and Regional committees • General feedback from committee members that amalgamation of current committees into two regional committees, one for the Northern region and one for the South/Central region would be a good model. • Model should consider travel distances for members and consider alternating venues. • QGC will update committee members at a later date on the outcome of these discussions.

4. General business

No general business items were raised.

5. Meeting Close

The meeting was closed by Deb Camden at 11.30am.

The future dates for the QGC Community Consultative Committees will be distributed in early 2015.

6. Southern Gas Field Community Committee Members

Representative	Organisation
Beth Wood	Dalby Welcoming Committee
Gayle Porter	Tara Futures Group
Karmyn Dorries	Myall Youth and Community Network
Sharon O'Shea	Western Downs Regional Council
Jayne Swift	Ozcare
Ros Wade	Tara Neighbourhood Centre
Patricia Peck	Wieambilla Country Club
Dean Russell	Dalby State High School
Colleen Rasmussen	Dalby Health Service