

**Annual Return – EPBC 2008/4405
MIDSTREAM (Shipping)**

Rev [0]

October 2011

MIDSTREAM (SHIPPING)

DOCUMENT INFORMATION SHEET

TITLE: Annual Return – EPBC 2008/4405 – Midstream (Shipping)

PURPOSE AND SCOPE:

The Minister for the Department of Sustainability Environment, Water, Population and Communities approved action relating to the Queensland Curtis LNG Project on 22 October 2010. Under the approval, there is a requirement for the submission of an Annual Return addressing the conditions contained within the approval. The Annual Return is to be published on the QGC website within 20 business days of the anniversary date of the approval.

The Annual Return must :

- a. Address compliance with the conditions;
- b. Record any unavoidable adverse impacts on MNES, mitigation measures applied to avoid adverse impacts on MNES; and any rehabilitation work undertaken in connection with any unavoidable adverse impact on MNES;
- c. Identify all non-compliances with these conditions; and
- d. Identify any amendments needed to plans to achieve compliance with these conditions.

This report complies with the conditions requested under EPBC 2008/4405.

Table of Contents

1.0 Introduction

1.1 Scope

1.2 Distribution and Intended Audience

APPENDIX A Annual Return EPBC 2008/4405

1.0 INTRODUCTION

1.1 Scope of Document

On 31 October 2010, the BG Group approved the development of the Queensland Curtis Liquefied Natural Gas Project which is commonly known as the QCLNG Project. The BG approval was made subsequently to receiving approval from Queensland's Coordinator General and the Commonwealth Department of Sustainability, Environment, Water, Population and Communities (SEWPAC). These approvals were granted on 26 June 2010 and 22 October 2010 respectively.

The Queensland Coordinator-General's Report on the environmental impact statement for the QCLNG Project was released pursuant to s.35 of the *State Development and Public Works Organisation Act 1971 (QLD)*. This report provided conditions for which the project would need to meet during its construction and subsequent operation.

The report contains over 1000 conditions governing the project relating to:

- Whole of Project;
- Transport of plant, equipment, materials and people;
- Social impacts including affordable housing and job creation;
- Gas Fields construction and operation;
- Pipelines and the Narrows construction and operation; and
- LNG Plant construction and operation.

On gaining the Co-ordinator-General's decision, the Minister for Environment, the Hon. Tony Burke MP, approved all five referrals which were made by QGC under the *Environmental Protection and Biodiversity Conservation Act 1999* (EPBC Act). These referrals are listed below.

- Referral Approval, EPBC 2008/4398 – QCLNG Gas Field Component
- Referral Approval, EPBC 2008/4402 – LNG Plant and Onshore Activities Components
- Referral Approval, EPBC 2008/4399 – 730km Pipeline Network Component
- Referral Approval, EPBC 2008/4405 – Shipping Activities
- Referral Approval, EPBC 2008/4401 – Marine Facilities Components

QGC is required under each of these referrals to compile an Annual Return. This Annual Return must report on compliance with the conditions contained in each referral and must be published on the QGC website.

This document is QGC annual return for Referral Approval, EPBC 2008/4405 – Shipping Activities which includes vessel movements during construction and LNG shipping once the QCLNG project is operational.

Over the past 12 months, QGC has been transporting personnel, equipment and machinery to and from Gladstone and Curtis Island. QGC has been working closely with the Gladstone Ports Corporation (GPC), Queensland Maritime Safety (QMS), the Gladstone Harbour Master (GHM), the Gladstone City Council (GCC), the Office of the Coordinator-General (C-G) and the Department of Employment, Economic Development and Innovation (DEEDI) to ensure that QGC vessel arrangements are safe. QGC continues to add additional safety measures as its vessel movements increase and as other proponents commence operations on Curtis Island.

QGC would like to thank those Government Departments and representatives for their on-going advice and assistance as QGC continues to move personnel, equipment and machinery to and from the mainland and

Curtis Island. As QGC continues to increase its operations, the management plans subject of this approval will continue to be revised and improved in support of safety and environmental expectations.

1.2 Distribution and Intended Audience

This document is prepared for SEWPAC in accordance with condition 31 of referral EPBC 2008/4405 for publication on the QGC website.

APPENDIX A - MIDSTREAM (SHIPPING) – EPBC 2008/4405

SEWPAC CONDITIONS

Condition		Status	Statement of Compliance
Shipping Activity Management Plan			
1.	The proponent must prepare a Shipping Activity Management Plan ('the Plan') which includes:	Activated	Complaint – Shipping Activity Management Plan (SAMP) initially submitted on 18 October 2010. Revised version submitted on 19 July 2011 and approved on 2 August 2011.
	(a) for shipping activity within the geographic locations specified in sections 1.2 and 1.3 of the referral - provision for the protection of Dugongs (<i>Ougong dugon</i>); Green Turtles (<i>Chelonia Mydas</i>); Loggerhead Turtles (<i>Caretta caretta</i>); Flatback Turtles (<i>Natator depressus</i>); Water Mouse, (<i>Xeromys myoides</i>) and the seagrass species <i>Halodule uninervis</i> , <i>Halophila ovalis</i> , <i>Halophila decipens</i> , <i>Halophila minor</i> , <i>Halophila spinulosa</i> , and <i>Zostera capricorni</i> ;	Activated	Compliant – the SAMP includes the management of specified species.
	(b) identification of the habitats, activities, and environmental tolerances in relation to the shipping activity associated with this referral for the species specified. in condition 1(a);	Activated	Compliant – details are included in the SAMP.
	(c) to minimise environmental disturbance to the species mentioned in condition 1(a):	Activated	Compliant – controls are included in the SAMP.
	(i) limits on vessel speeds, including speeds for particular vessel types;	Activated	Compliant – controls are included in the SAMP.
	(ii) limits on vessel movements, including the use of thrusters; and	Activated	Compliant – controls are included in the SAMP. As QGC continues to expand its operations, management plans subject of this approval will be revised and improved in support of safety and environmental expectations.
	(iii) limits on vessel light and sound.	Activated	Compliant – controls are included in the SAMP.
	(d) a comprehensive outline of mitigation measures and	Activated	Compliant – outline of mitigation measures and controls are

Condition		Status	Statement of Compliance
	controls for each of the types of shipping activities to minimise their impact on the species mentioned in condition 1 (a), including actions to:		included in the SAMP.
	(i) prevent and respond to the impact of accidental fuel, oil or chemical spills;	Activated	Compliant – outline of mitigation measures and controls are included in the SAMP.
	(ii) minimise the impact of marine discharges, including those associated with vessel cleaning, anti-fouling and waste disposal;	Activated	Compliant – outline of mitigation measures and controls are included in the (SAMP).
	(iii) minimise disturbance to the seagrass species mentioned in condition 1(a);	Activated	Compliant – outline of mitigation measures and controls are included in the SAMP.
	(iv) minimise the impact of bow-wash on Water Mouse (Xeromys myoides) nesting sites; and	Activated	Compliant – outline of mitigation measures and controls are included in the SAMP.
	(v) proposed remedial action in the event of any impacts directly attributable to the proponent's shipping activities on the species specified in condition 1(a), and the habitats identified in condition 1(b), including a feasible and beneficial offsets strategy.	Activated	Compliant – outline of mitigation measures and controls are included in the SAMP.
	(e) a comprehensive outline of monitoring arrangements to determine the impact of shipping activity on the species specified in condition 1 (a), which includes:	Activated	Compliant – comprehensive outline of monitoring arrangements are in included in the SAMP.
	(i) recommendations on the timing and frequency of species surveys;	Activated	Compliant – recommendations for timing and frequency of species surveys are included in the SAMP.
	(ii) proposed monitoring arrangements; and	Activated	Compliant – comprehensive outline of monitoring arrangements are in included in the SAMP.
	(iii) the nature and frequency of proposed reporting arrangements.	Activated	Compliant – nature and frequency of reporting arrangements are in included in the SAMP.
2.	Subject to condition 3 and 4, the plan required under condition 1 must be submitted for the approval of the Minister before commencement. The action must not commence until the plan has been approved. The	Activated	Compliant – SAMP was submitted to the Department on 18 October 2010. A revised version was submitted on 19 July 2011 and approved by the Department on 2 August 2011.

Condition	Status	Statement of Compliance	
approved plan must be implemented.		Works commenced** on 24 August 2011. <i>Commencement under this approval is defined as "the substantial commencement of the proposed shipping activities (including ferry traffic and other vessel movements associated with the construction of the LNG facility on Curtis Island and infrastructure associated with this facility)".</i>	
3. The plan required under condition 1 may be provided in two parts, to address:	Activated	Compliant – SAMP prepared and approved (refer to condition 2).	
(a) Shipping associated with the construction of the LNG plant; and	Activated	Compliant – SAMP prepared and approved (refer to condition 2).	
(b) LNG tanker operation and LNG tanker activities.	Activated	Compliant – SAMP prepared and approved (refer to condition 2).	
4. If the plan required under condition 1 is provided in two parts, each part must be provided before the commencement of the activity to which that part relates. <i>Note: The requirements under condition 1 may be included in a plan which the proponent provides to the State, including in a Marine Traffic Management Plan or a Shipping Transport Management Plan. If these State plans are provided for this purpose, that plan should explicitly state that it is also provided for the purposes of this condition, and clearly reference matters addressing the requirements above. It is acknowledged that, before approval of the first part of the Plan, minor vessel movements may be undertaken to facilitate early site access including for the initial construction of the Construction Dock.</i>	Activated	Compliant – SAMP associated with shipping during construction of LNG facility prepared and approved (refer to condition 2). Condition has not been triggered for tanker operations.	
Publication of Plans			
5. All plans approved by the Minister under these conditions must be published on the proponent's website within 30 business days of approval by the Minister.	Activated	Compliant - SAMP for construction phase was published on 22 July 2011 based on conditional approval received on 9 June 2011.	
Permit	Condition	Status	Statement of Compliance
6.	The Department may request the proponent to publish on the internet a plan in a specified location or format and with specified accompanying text. The proponent must comply	Noted	

Condition		Status	Statement of Compliance
	with any such request.		
Notification of commencement			
7.	Within 20 business days of commencement, the proponent must advise the Department in writing of the actual date of commencement.	Activated	Compliant - Letter sent to the Department on 12 September 2011 advising that works commenced on 24 August 2011. <i>Commencement under this approval is defined as "the substantial commencement of the proposed shipping activities (including ferry traffic and other vessel movements associated with the construction of the LNG facility on Curtis Island and infrastructure associated with this facility)".</i>
8.	If, at any time after five years from the date of this approval, the Minister notifies the proponent in writing that the Minister is not satisfied that there has been commencement of the action, the action must not commence without the written agreement of the Minister.	Completed	Compliant – the action has commenced within 5 years of the approved date.
Request for variation of plans by proponent			
9.	If the proponent wants to act other than in accordance with a plan approved by the Minister under these conditions, the proponent must submit a revised plan for the Minister's approval.	Noted	Compliant – Works are undertaken in accordance with the approved SAMP.
10.	If the Minister approves the revised plan, then that plan must be implemented instead of the plan originally approved.	Noted	
11.	Until the Minister has approved the revised plan, the proponent must continue to implement the original plan.	Noted	.
Revisions to plans by the Minister			
12.	If the Minister believes that it is necessary or desirable for the better protection of a relevant controlling provision for the action, the Minister may request the proponent to make, within a period specified by the Minister; revisions to a plan approved under these conditions.	Noted	
13.	If the Minister makes a request for revision to a plan, the proponent must:		

Condition		Status	Statement of Compliance
	(a) comply with that request; and	Noted	
	(b) submit the revised plan to the Minister for approval within the period specified in the request.	Noted	
14.	The proponent must implement the revised plan on approval of the Minister.	Noted	
15.	Until the Minister has approved the revised plan, the proponent must continue to implement the original plan.	Noted	
Minimum timeframes for consideration of plans			
16.	For any plan required to be approved by the Minister under these conditions, the proponent must ensure the Minister is provided at least 20 business days for review and consideration of the plan, unless otherwise agreed in writing between the proponent and the Minister.	Noted	
Condition		Status	Statement of Compliance
Compliance with State environmental and other authorities			
17.	The proponent must comply with all environmental authorisations issued by the State, including conditions of an environmental authority issued under the EP Act.	Activated	Review of compliance status with CG Report is currently underway and a final report including results will be available December 2011. Should the review identify any reportable issues, the Minister will be notified.
Provision of State plans			
18.	If a condition of a State approval requires the proponent to provide a plan then the proponent must also provide the plan to the Department or Minister on request, within the period specified in the request.	Noted	No requests have been received from the Department to provide a State plan.
Timeframes			
19.	If these conditions require the proponent to provide something by a specified time, a longer period may be specified in writing by the Minister.	Noted	
Auditing			
20.	On the request of and within a period specified by the Department, the proponent must ensure that:		

Condition		Status	Statement of Compliance
	(a) an independent audit of compliance with these conditions is conducted; and	Noted	
	(b) an audit report, which addresses the audit criteria to the satisfaction of the Department, is published on the Internet and submitted to the Department.	Noted	
21.	Before the audit begins, the following must be approved by the Department:		
	(a) the independent auditor; and	Noted	
	(b) the audit criteria.	Noted	
22.	The audit report must include:		
	(a) the components of the project being audited;	Noted	
	(b) the conditions that were activated during the period covered by the audit;	Noted	
	(c) a compliance/non-compliance table;	Noted	
	(d) a description of the evidence to support audit findings of compliance or noncompliance;	Noted	
	(e) recommendations on any non-compliance or other matter to improve compliance;	Noted	
	(f) a response by the proponent to the recommendations in the report (or, if the proponent does not respond within 20 business days of a request to do so by the auditor, a statement by the auditor to that effect); and	Noted	
	(g) certification by the independent auditor of the findings of the audit report.	Noted	
23.	The financial cost of the audit will be borne by the proponent.	Noted	
24.	The proponent must:		
	(a) implement any recommendations in the audit report, as	Noted	

Condition		Status	Statement of Compliance
	directed in writing by the Department;		
	(b) investigate any non-compliance identified in the audit report; and	Noted	
	(c) if non-compliance is identified in the audit report - take action as soon as practicable to ensure compliance with these conditions.	Noted	
25.	If the audit report identifies any non-compliance with the conditions, within 20 business days after the audit report is submitted to the Department, the proponent must provide written advice to the Minister setting out the:		
	(a) actions taken by the proponent to ensure compliance with these conditions; and	Noted	
	(b) actions taken to prevent a recurrence of any non-compliance, or implement any other recommendation to improve compliance, identified in the audit report. <i>Note: To avoid doubt, independent third party auditing may include audit of the proponent's performance against the requirements of any plan required under these conditions.</i>	Noted	
Reporting non-compliance			
26.	The proponent must, when first becoming aware of a non-compliance with these conditions, or with a plan required to be approved by the Minister under these conditions:	Activated	Compliant – no issues of non-compliance are identified.
	(a) report the non-compliance and remedial action to the Department within five business days;		
	(b) bring the matter into compliance within a reasonable time frame specified in writing by the Department.		

Condition		Status	Statement of Compliance
Record-keeping			
27.	The proponent must:		
	(a) maintain accurate records substantiating all activities associated with or relevant to these conditions of approval, including measures taken to implement a plan approved under these conditions; and	Activated	Compliant – records are maintained substantiating all activities relevant to these conditions, including measures taken to implement approved plans.
	(b) make those records available on request to the Department. Such records may be subject to audit by the Department or an independent auditor in accordance with section 458 of the EPBC Act, or used to verify compliance with these conditions. <i>Note: Audits or summaries of audits carried out under these conditions, or under section 458 of the EPBC Act, may be posted on the Department's website. The results of such audits may also be publicised through the general media.</i>	Noted	Compliant – records are maintained substantiating all activities relevant to these conditions, including measures taken to implement approved plans.
Financial assurance			
28.	The proponent must: (a) provide the Minister with a financial assurance in the amount and form required from time to time by the Minister for activities to which these conditions apply; and	Noted	As at 21 October 2011, QGC has provided a financial assurance to DERM of \$170,089,026.00
	(b) review and maintain the amount of financial assurance based on proponent reporting on compliance with these conditions, and any auditing of the activities.	Noted	

Condition		Status	Statement of Compliance
29.	<p>The financial assurance is to remain in force until the Minister is satisfied that no claim is likely to be made on the assurance.</p> <p><i>Note: The financial assurance may be used for rehabilitation of habitat and other purposes not addressed adequately by the proponent during the life of the project.</i></p>	Noted	
Annual Environmental Return			
30.	<p>The proponent must produce an Annual Environmental Return which:</p> <p>(a) addresses compliance with these conditions;</p> <p>(b) records any unavoidable adverse impacts on MNES, mitigation measures applied to avoid adverse impacts on MNES; and any rehabilitation work undertaken in connection with any unavoidable adverse impacts on MNES;</p> <p>(c) identifies all non-compliances with these conditions; and</p> <p>(d) identifies any amendments needed to plans to achieve compliance with these conditions.</p>	<p>Activated</p> <p>Activated</p> <p>Activated</p> <p>Activated</p>	<p>Compliant – Annual Return completed, compliance addressed</p> <p>Compliant – No unavoidable adverse impact on MNES have been identified.</p> <p>Compliant – all non-compliance with these conditions have been identified and addressed. See Table attached.</p> <p>Compliant - no amendments to achieve compliance with plans is required.</p>

Condition		Status	Statement of Compliance
31.	The proponent must publish the Annual Environmental Return on the Internet within 20 business days of each anniversary date of this approval. In complying with this publication requirement, the proponent must ensure that it has obtained relevant rights in relation to the confidentiality and intellectual property rights of third parties.	Activated	Compliant – Annual Environmental Return will be published within 20 business days of the anniversary date of the EPBC Approval.
Dictionary			
32.	<p>In these conditions, unless otherwise indicated:</p> <p>Conditions means these conditions attached to the approval of the action;</p> <p>Commencement means the substantial commencement of the proposed shipping activities (including ferry traffic and other vessel movements associated with the construction of the LNG facility on Curtis Island, and infrastructure associated with this facility) described in the referral EPBC 2008/4405, received under the EPBC Act on 18 August 2008;</p> <p>Department means the Australian Government department responsible for administering Part 4 of the EPBC Act;</p> <p>EP Act means the Environmental Protection Act 1994 (Old);</p> <p>EPBC Act means the Commonwealth Environment Protection and Biodiversity Conservation Act 1999;</p> <p>Minister means the Minister responsible for Part 4 of the EPBC Act, and includes a delegate of the Minister under s.133 of the EPBC Act;</p> <p>MNES means matters of national environmental significance, being the relevant matters protected under</p>	Noted	

Condition		Status	Statement of Compliance
	Part 3 of the EPBC Act; Plan includes a report, study, or strategy (however described); Proponent means the holder of the approval to which these conditions relate, and includes any person acting on behalf of the proponent.		
33.	Unless otherwise indicated, words in these conditions have the same meaning as in (in the following order of priority): (a) the EPBC Act; and (b) the EP Act.	Noted	
34.	Unless the contrary is indicated, in these conditions: (a) words in the singular number include the plural and words in the plural number include the singular; and (b) condition headings are inserted for convenient reference only and have no effect in limiting or extending the language of condition to which they refer.	Noted	

CONDITION 26 – NON-COMPLIANCE

NON-COMPLIANCE ACTIVITY	NOTIFICATION	ACTION TAKEN
No non compliance issues have been identified	No notifications made	No action required

CONDITION 30(b) – Unavoidable Adverse Impacts on MNES

NON-COMPLIANCE ACTIVITY	NOTIFICATION	ACTION TAKEN
No unavoidable adverse impact on MNES identified	No notifications made	No action required