



APLN-000-CE-R01-D-14266

Australia Pacific LNG- Downstream Biannual Report to the RCCC

January – June, 2012

Contents

Preface	4
1. Introduction	5
1.1. Project Development	5
2. Social Performance Framework	6
3. Stakeholder Engagement	7
3.1. Government	7
3.2. Community	8
3.3. Complaints and Grievances	8
4. Community Investment	9
4.1. The Gladstone Foundation and Social Infrastructure	11
4.2. Sponsorships and Donations	11
4.3. Employee Giving and Volunteering	11
5. Housing and Accommodation	11
5.1. Housing for mainland-based personnel	12
5.2. Temporary Workforce Accommodation	12
5.3. Affordable Housing	13
6. Workforce and Training	13
6.1. Workforce	14
6.2. Vocational Training and Education	14
6.2.1. Vocational Training	14
6.2.2. Education and School Based Training	16
7. Aboriginal and Torres Strait Islander Engagement	16
7.1. Employment, Education and Training	17
7.2. Business Development and Support	17
7.3. Cultural Heritage	18
8. Community Health and Safety	18
8.1. Emergency Response	18
8.1.1. Emergency Response Planning	18
8.1.2. Onsite Emergency Response	19
8.2. Workforce	19
8.3. Community Health and Safety	20
8.3.1. Community Awareness Programs	20
8.4. Transport and Road Safety	21

Australia Pacific LNG Downstream Biannual Report to the RCCC

9. Local Content	22
9.1. Total Spend	22
10. Proposed changes or adjustments to the SIMP	23
11. Feedback	23

Tables

Table 1 Government Consultation	7
Table 2 Complaints and Grievances January - June 2012	9
Table 5 Temporary Workforce Accommodation at 30 June 2012	12
Table 6 Affordable Housing Initiatives	13
Table 7 APLNG Gladstone Workforce as at 30 June 2012	14
Table 8 Vocational Training Initiatives	14
Table 9 Education and School Based Training Initiatives	16
Table 10 Aboriginal and Torres Strait Islander Workforce of APLNG	17
Table 11 Business Development and Support Initiatives	17
Table 12 Workforce Health & Safety Initiatives	19
Table 13 Community Awareness Campaigns	21
Table 14 Total Spend since 2010 in AUD	22

Figures

Figure 1 Australia Pacific LNG Structure	6
Figure 2 APLNG Social Performance Framework	6
Figure 3 Life of Project Topics of Complaints and Grievances	9
Figure 4 Community Investment Vehicles	10
Figure 5 Impact Management Themes for Community Investment	10
Figure 6 Community Investment Overview	10
Figure 7 Sponsorships and Donations by Impact Theme	11
Figure 8 FNM Dwelling Construction 2011-2012	12
Figure 9 Australian Spend	22

Australia Pacific LNG Downstream Biannual Report to the RCCC

Preface

This draft report on the Australia Pacific LNG Downstream Project Social Impact Management Plan (SIMP) is prepared for the Gladstone Region LNG Community Consultative Committee (RCCC) and is issued for comment.

Working within the guidelines set out by the Coordinator-General to provide the RCCC with six monthly reports, this report covers the six-month period January through June 2012.

Committee members are invited to provide feedback to Australia Pacific LNG by COB Friday 5 October 2012.

1. Introduction

Condition 2.2C(b) of the *Coordinator-General's report on the Environmental Impact Statement* (EIS) for the Australia Pacific LNG Project, requires Australia Pacific LNG to submit biannual reports to members of the Regional Community Consultative Committee on progressive implementation of the Social Impact Management Plan (SIMP) and associated supporting strategies.

The purpose of this report is to inform community stakeholders of Australia Pacific LNG's activities in the implementation of the SIMP between January and June 2012 and to provide a point in time update on the Project's progression.

It should be noted that this report is relevant to the downstream (LNG facility) Australia Pacific LNG Project and in most cases is associated with activities in the Gladstone local government area (LGA) only. Reports for the upstream (gas fields and pipeline) components of the Project will be submitted to the relevant RCCC specific to their locality.

1.1. Project Development

Australia Pacific LNG aspires to develop a world-class coal seam gas (CSG) to liquefied natural gas (LNG) project.

The Australia Pacific LNG Project is a development of coal seam gas resources in the Surat Basin in South Western Queensland and the Bowen Basin in Central Queensland, the construction and operation of a gas transmission pipeline from the gas fields to Gladstone, and a multi-train natural gas liquefaction and export facility on Curtis Island. The Project has an expected lifespan of 30 years.

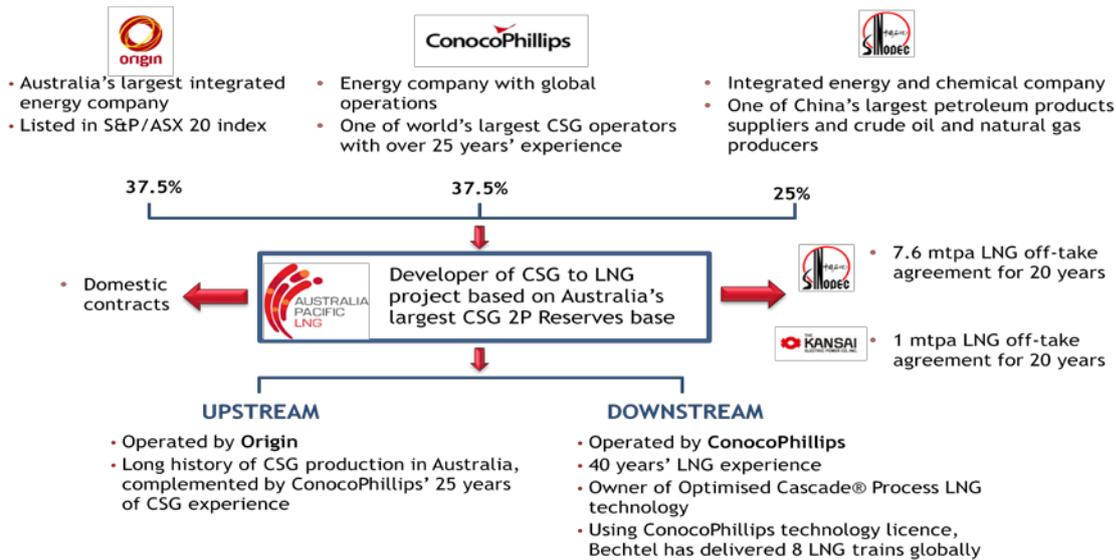
On 17 November 2011 Australia Pacific LNG secured its second major long term customer. Both contracts will see Australia Pacific LNG's gas transported to the energy markets of South East Asia. This milestone allowed the board to announce, on 4 July 2012, a final investment decision (FID) to construct a second production train. Train Two will double the production capacity of the Curtis Island LNG facility.

The Project is currently in the construction phase, scheduled to produce the first shipment of LNG in Quarter 2, 2015.

Figure 1 provides an overview of the Australia Pacific LNG joint venture structure.

Australia Pacific LNG Downstream Biannual Report to the RCCC

Figure 1 Australia Pacific LNG Structure



2. Social Performance Framework

The Australia Pacific LNG Project operates under a strategic framework which guides social performance in impact mitigation. The framework incorporates a number of overarching, project wide approaches which inform localised plans. The framework is guided by a set of Project Commitments, accepted by the Coordinator-General, which influence all areas of operation of the project.

Figure 2 provides an overview of the Australia Pacific LNG Social Performance Framework.

Figure 2 APLNG Social Performance Framework



The SIMP identifies actions Australia Pacific LNG will undertake alone or in cooperation with its contractors and other stakeholders to mitigate the social impacts arising from the Project. The identified impact categories are:

- Housing and Accommodation
- Workforce and Training

Australia Pacific LNG Downstream Biannual Report to the RCCC

- Indigenous Engagement
- Community Health and Safety
- Community Investment
- Local Content

3. Stakeholder Engagement

During the period January through June 2012, Australia Pacific LNG has continued consultation with stakeholders, including affected local government authorities, key state government agencies, and communities.

Australia Pacific LNG will continue to consult with and involve key stakeholders in the ongoing development and refinement of the social performance framework.

3.1. Government

Consultation with government agencies and departments has occurred at central as well as a regional level. In particular, local executive and frontline officers working in the region have been integral points of contact for the Project. Table 1 outlines the key agencies the Project has undertaken consultation with in both the development and early implementation stages of the SIMP.

Table 1 Government Consultation

Stakeholder ¹	Strategies discussed
DEEDI	<ul style="list-style-type: none"> • IHAS* • Community investment • Indigenous engagement • Workforce and training • Local content
DET	<ul style="list-style-type: none"> • Indigenous engagement • Workforce and training • Local content
DEEWR	<ul style="list-style-type: none"> • Community investment • Indigenous engagement • Workforce and training
DoC	<ul style="list-style-type: none"> • IHAS • Community investment • Indigenous engagement • Community health and safety • Workforce and training • Local content
TMR	<ul style="list-style-type: none"> • Community Investment • Community health and safety
Queensland Health	<ul style="list-style-type: none"> • IHAS • Community Investment • Community Health and Safety
QPS	<ul style="list-style-type: none"> • IHAS • Community investment • Community health and safety

¹ Australia Pacific LNG recognises the Change of Government which occurred March 2012, however for the clarity of this report the Departments referred to reflect the portfolio responsibilities at the point of consultation.

Australia Pacific LNG Downstream Biannual Report to the RCCC

QAS	<ul style="list-style-type: none"> • Community investment • Community health and safety
QFRS	<ul style="list-style-type: none"> • Community investment • Community health and safety
DERM	<ul style="list-style-type: none"> • Community investment
Gladstone Regional Council	<ul style="list-style-type: none"> • All strategies

*IHAS=Integrated Housing and Accommodation Strategy

In efforts to facilitate approval of the SIMP, on 29 May, 2012, the Project was provided with an opportunity to present to a gathering of combined agency representatives. Facilitated by the Social Impact Assessment Unit (SIAU) of the Queensland Government, an up-to-date discussion on progress of SIMP implementation and the actions undertaken to mitigate social impacts was held. Agency representatives were invited to ask questions and provide feedback in writing to the SIAU following the presentation. The SIAU advised Australia Pacific LNG that feedback from the agencies did not identify any issues which may have impeded or prevented approval of the SIMP. The SIMP was subsequently approved on 20 July 2012.

3.2. Community

Community engagement in the preceding six months has had a significant SIMP development, delivery and approval focus with an evidence-based approach to engagement and consultation on strategies aimed at mitigating project impacts.

The top five issues raised through engagement were:

- Community Investment
- Employment
- Housing and Accommodation
- Commitments made
- Community Health and Safety

In the period January through June 2012, Australia Pacific LNG has held three community information sessions in the Gladstone local government area, all of which have been a collaborative effort with other LNG proponents and Bechtel to provide up-to-date Project information. At each of these information sessions employment remains the most popular topic of enquiry.

3.3. Complaints and Grievances

Stakeholder feedback, be it positive or negative, is instrumental in providing Australia Pacific LNG with a platform upon which its operational and social performance can be regularly evaluated and modified to meet commitments to leading practice and continuous improvement.

The Project is conditioned by the Coordinator-General to acknowledge the receipt of a complaint or grievance within 48 hours.

Table 2 provides details of the complaints and grievances received by Australia Pacific LNG in the period January through June 2012.

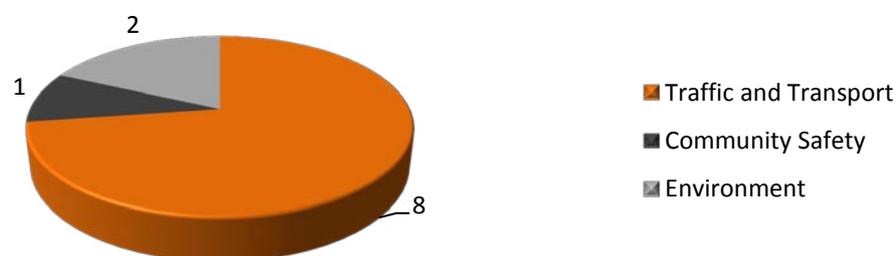
Australia Pacific LNG Downstream Biannual Report to the RCCC

Table 2 Complaints and Grievances January - June 2012

#	Category	APLNG Project specific	Gladstone LNG development general	Non-LNG Related	Resolved	Acknowledged within 48 hours
1	Traffic and Transport		✓		✓	✓
2	Traffic and Transport		✓		✓	✓
3	Traffic and Transport		✓		✓	✓
4	Traffic and Transport	✓			✓	✓
5	Traffic and Transport			✓	✓	✓
6	Traffic and Transport			✓	✓	✓
7	Community Safety		✓			✓

To date, the Project has received a total of 11 complaints or grievances. Figure 3 provides a breakdown by topic of complaints received.

Figure 3 Life of Project Topics of Complaints and Grievances



Unrelated and Unresolved Complaints and Grievances

Number 5 and 6 (Table 2)- After investigation, these complaints were identified as being non-LNG related, and attributable to the Wiggins Island Coal Export Terminal (WICET) Project.

Number 7 (Table 2)- This complaint remains unresolved as the Project is still working with the complainant to identify facts and negotiate a satisfactory outcome.

4. Community Investment

Australia Pacific LNG works to mitigate the identified social impacts through four distinct investment vehicles. Figure 4 summarises the community investment vehicles utilised by the Project.

Figure 4 Community Investment Vehicles



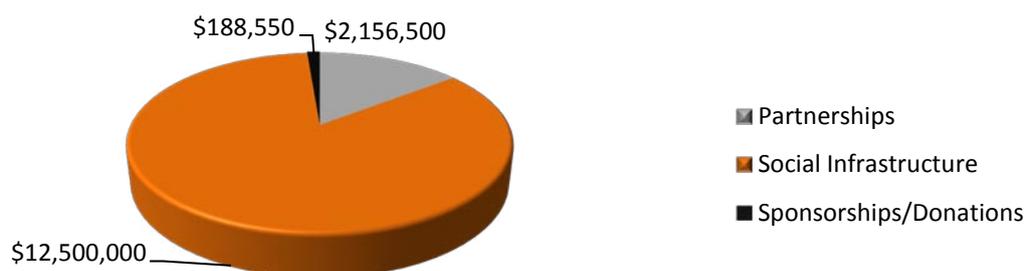
Four social impact management themes underpin Australia Pacific LNG's community investment. These are summarised in Figure 5.

Figure 5 Impact Management Themes for Community Investment



Since commencement, Australia Pacific LNG has spent more than \$14.8 Million across the four community investment vehicles. Figure 6 provides an overview of this expenditure.

Figure 6 Community Investment Overview



4.1. The Gladstone Foundation and Social Infrastructure

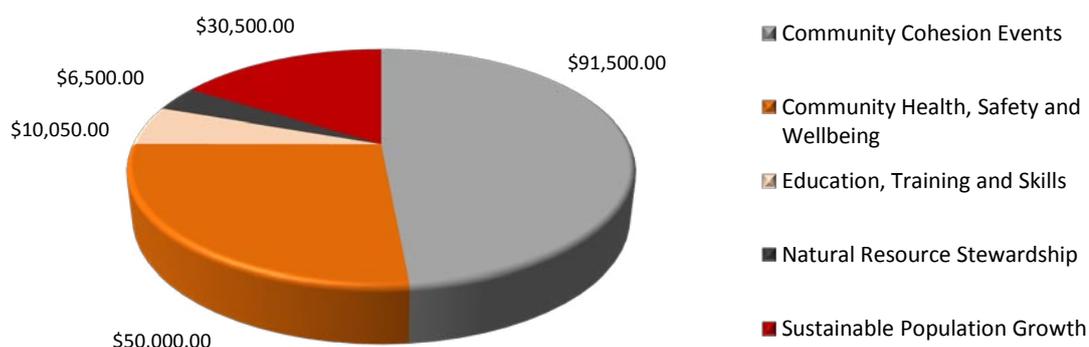
A total of \$5 Million has been contributed by Australia Pacific LNG to the Gladstone Foundation, on June 6 2012, in response to a recommendation by the Coordinator-General.

The Gladstone Foundation is a trust fund, established to provide social infrastructure facilities and services within the region, and has been formed by the Queensland Government in collaboration with the Gladstone Regional Council. Australia Pacific LNG's contribution has been provided without caveat or direction, to be utilized at the discretion of the foundation's Board of Advice.

4.2. Sponsorships and Donations

Since Project commencement, Australia Pacific LNG has provided \$188,550 in sponsorships and donations. Figure 7 provides a breakdown of the impact themes addressed by Australia Pacific LNG's total sponsorship and donation provision.

Figure 7 Sponsorships and Donations by Impact Theme



4.3. Employee Giving and Volunteering

The giving of time and personal resources by Project personnel in a voluntary capacity mostly cannot be measured in financial terms, but facilitates Australia Pacific LNG personnel in becoming and remaining connected with and engaged in their community.

In the Gladstone region, Australia Pacific LNG personnel have volunteered in excess of 110 hours to assist with community events and local fund raising activities.

5. Housing and Accommodation

Australia Pacific LNG has implemented all elements of the Integrated Housing and Accommodation Strategy. These elements are:

- Project housing for settling mainland-based personnel
- Temporary Workforce Accommodation Facilities (TWAF) on Curtis Island
- Affordable Housing contributions through Gladstone Affordable Housing Company

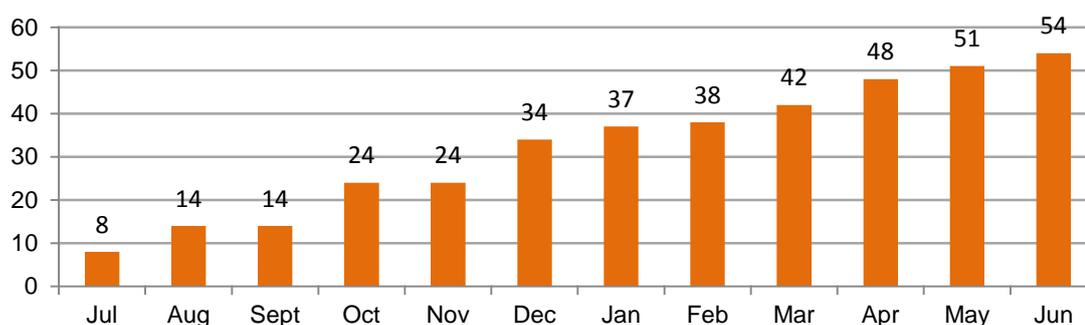
5.1. Housing for mainland-based personnel

The Project has been conditioned by the Coordinator-General to facilitate the construction of new or additional dwellings for 50% of the field non-manual (FNM) workforce of the Project that will settle in Gladstone. Field non-manual encompasses technical and professional roles required for the construction of the Project, filled by non-local workers who will be based in Gladstone for a period of 12 months or more.

To meet the condition up to 90 dwellings may be needed by Q1 2013 to align with a scheduled peak of FNM personnel. Figure 8 indicates the Project's progress to date towards reaching this target.

Australia Pacific LNG is currently working with its Principal Contractor for the LNG facility to review the projected FNM staffing requirements for the remainder of the construction phase of the Project. This review will provide the basis for the final number of dwellings that will be required to satisfy this condition.

Figure 8 FNM Dwelling Construction 2011-2012



5.2. Temporary Workforce Accommodation

Revised projections continue to indicate that up to 80%-90% of the peak manual construction workforce will be non-local. The Project will accommodate these workers in the Temporary Workforce Accommodation Facility (TWAF) at the LNG facility site on Curtis Island. The facility of 1 bed, ensuited accommodation units, serviced by centralised catering and recreation facilities, will peak at 2600 beds.

The first section of the Curtis Island TWAF, approximately 370 beds, is expected to be completed and occupied by the end of September 2012. Until its availability, the project has been utilizing a mixture of commercial TWAF accommodation in the region, shared rentals and commercial hotel/motel accommodation.

Table 5 provides a breakdown of the forms of temporary workforce accommodation, funded by the Project, accommodating the Australia Pacific LNG Project's construction workforce as at June 2012.

Table 3 Temporary Workforce Accommodation at 30 June 2012

Accommodation Form	Individuals Accommodated
Curtis Island TWAF	0
Mainland TWAF (Mac Group Calliope)	185
Quoin Island TWAF	30
Hotel/Motel Accommodation	91

Shared dwelling	210
-----------------	-----

*Source: Bechtel Monthly Social Reports

5.3. Affordable Housing

To address housing affordability in Gladstone Australia Pacific LNG has been working with a number of partners at both state and local government levels external agencies and the other proponents to establish initiatives which will deliver services to mitigate this impact. Partnership finalisation and funding for the below initiatives occurred in the period January-June 2012.

- The Project has worked in collaboration with QCLNG, GLNG and the Brisbane Housing Company to establish the **Gladstone Affordable Housing Company**, a not-for-profit organization, which acts as property developer and manager of affordable housing options for low to moderate income earners.
- Contribution to the **Urban Land Development Authority (ULDA)** for the Clinton Urban Development Area has enabled fast-tracking of the development from five years down to three. The Authority's aim is for at least 60% of housing, on more than 250 lots, to be sold at or below the median house price for Gladstone.
- Australia Pacific LNG has contributed to funding for rental assistance, managed by the Gladstone Regional Council's Community Advisory Service, to provide immediate **short-term financial support through rental supplements** to eligible, lower-income earning residents experiencing housing stress. The agreement incorporates a funding component aimed at assisting 'Critical Workers', defined as a person employed within the public service sector whose employment is primarily focused on emergency or community service delivery that has a direct role in community safety, health, education or welfare. A portion of the funding has also been dedicated to the provision of rental subsidies available to officers of the Queensland Police Service, Queensland Ambulance Service and Queensland Fire and Rescue Service.

Table 6 provides further detail of Australia Pacific LNG's initiatives to address affordable housing in the Gladstone region.

Table 4 Affordable Housing Initiatives

Initiative	Progress	Value (\$)
Rental Assistance	Commenced	\$1 Million
Clinton UDLA Land Development	Commenced	\$1.1 Million
Gladstone Affordable Housing Company	Commenced	\$5.4 Million
	TOTAL	\$7.5 Million

6. Workforce and Training

Australia Pacific LNG has demonstrated its strong commitment towards training and developing its workforce since FID. Training and development is also key to empowering employees with the knowledge and skills they require to meet the health, safety and environment requirements of the Project.

Australia Pacific LNG Downstream Biannual Report to the RCCC

6.1. Workforce

The projected labour requirements of the Australia Pacific LNG Project, for the construction of the LNG facility, sees a peak workforce of approximately 3,300. Australia Pacific LNG aims to source around 20% of the construction workforce locally, defined as workers living within 60km of the Gladstone general post office. Table 7 provides a breakdown of the Australia Pacific LNG Project construction workforce at 30 June 2012.

Table 5 APLNG Gladstone Workforce as at 30 June 2012

		Number/ %
Bechtel (Engineering and Procurement Contractor)	Direct and subcontract employees (total workforce)	2015
	Locally secured employees (local content)	931
	Non-local Regional/ State Employees (DIDO)	0
	State/National Employees (FIFO)	1084
	International (non 457 Visa)	0
	International (457 Visa)	67
	Total FIFO Employees	1151
	Female employees	186
	Aboriginal & Torres Strait Islander Employees	24
	Local Content (%)	46.2%
Project Management Team (Gladstone Based)		36
TOTAL		2051

*Source: Bechtel monthly social reports

6.2. Vocational Training and Education

The Workforce and Training Strategy acknowledges the impacts of experienced labour draw on local businesses and industries and, while often welcomed, increased demand on services from local businesses with the flow on effect of the Project. Australia Pacific LNG has sought training initiatives which expand the skilled workforce base from which expanding businesses can draw to backfill roles and assist individuals in obtaining employment in their chosen profession. The focuses of education and training initiatives supported by Australia Pacific LNG have application in the LNG and greater resources industries.

6.2.1. Vocational Training

The initiatives outlined in Table 8 are the vocational training program that Australia Pacific LNG has funded during the reporting period. Vocational training programs are aimed at skilling, or up-skilling, individuals who may be long-term unemployed, under employed or from disadvantage cohorts. Participation in these initiatives assists in supporting workforce demands in the region.

Table 6 Vocational Training Initiatives

Initiative	Target stakeholder / community group	Status	Value
Energy Skills Queensland (ESQ) Gladstone Workforce Skilling Strategy	Under- represented groups including unemployed, underemployed, women, migrant and Indigenous	Commenced 2012-2014	\$300,000
TOTAL			\$300,000

Case Study: Gladstone/Queensland Workforce Skilling Strategy

The Gladstone Workforce Skilling Strategy (GWSS) is a multi-faceted project aimed at providing entry level skills or additional skills to job seekers who are unemployed, long-term unemployed or from under-employed or under-represented cohorts. Partners in the growth of the project include State and Federal Government departments, community organisations and local industries.

The project provides participants with job-readiness skills and experience which assist them in becoming more employable candidates to industry. These skills include resume writing, interviewing, White Card, pre-employment medical and some work experience and certificate qualifications.

After running the project successfully in Gladstone, and identifying a shrinking base of candidates, ESQ has expanded the project into the surrounding areas of Bundaberg, the Fraser Coast and Gympie as part of the Queensland Workforce Skilling Strategy (QWSS).

In 2010-2011 the GWSS had 108 participants, 82 of which have procured employment. Of the 224 currently undergoing training with the GWSS or QWSS, 50 have already received employment opportunities prior to completing their course.

Accredited Training available through the GWSS/QWSS include:

Cert II in Electrotechnology	Cert II in Welding
Cert II in Engineering	Cert II in Concreting
Cert II in Hospitality	Cert II in Asset Maintenance
Cert II in Retail	Cert II in Drilling Onshore (Oil and Gas)
Cert II in Construction	Coal Board Medicals

Bechtel, as the principle contractor for the construction of the LNG facility, also provides further training and up skilling opportunities to personnel in the areas of:

- Workplace Health and Safety Harmonisation
- Certificate IV Occupational Health and Safety Bridging
- Safe Operation of a 4WD
- Safety Representative
- Taproot Investigation
- Certificate IV Training and Assessment
- Working at Heights
- Elevated Work Platform
- Working in Confined Spaces
- CPR and Low Voltage Rescue
- Fire/ Rescue Operations

Operations Recruitment and Training – LNG Facility

ConocoPhillips, joint venture partner and operator of the LNG Facility, commenced recruitment and training for its Operations workforce in May 2012. Strategy and resourcing plans continue to be developed, and currently consist of entry pathways for trainees, experienced hires (without LNG industry experience), and experienced LNG hires. The peak period for Operations recruitment will occur from Q1 2013 through 2014.

Australia Pacific LNG Downstream Biannual Report to the RCCC

Current Gladstone-based recruited roles include:

- Operations Manager
- 3 Operations Superintendents
- 8 Operations Technician Traineeships (first intake)

A structured hydrocarbon training program is currently under development.

Bechtel Adult Apprenticeship Scheme – LNG Facility

As a part of its overall employment strategy, the Project's Principal Contractor, Bechtel Oil Gas & Chemicals, has implemented an Adult Apprenticeship Scheme. The scheme is competency-based and open to individuals who qualify by having:

- partially completed an apprenticeship
- overseas qualifications not yet recognised in Australia
- experience as an ex-member of the Australian Defense Forces with aligned skills
- other trade related qualifications, or
- are currently working as a trades assistant

Participation in the scheme can assist a candidate to complete a trade qualification, in five defined vocations, in a compressed timeframe.

The scheme is currently operating across the three LNG projects in Gladstone with a progressive target of 400 positions.

6.2.2. Education and School Based Training

During the reporting period Australia Pacific LNG has commenced two partnerships which will deliver industry related, school based training and education programs to secondary students of the Gladstone region.

Table 7 Education and School Based Training Initiatives

Initiative	Target stakeholder / community group	Status	Value
Queensland Minerals & Energy Academy (QMEA) Schools based professional pathways and teacher professional development program	Students in yr 11-12 and teachers of Gladstone secondary schools	Commenced 2012-2014	\$112,500
Education Queensland Industry Partnership (EQIP) Schools based VET traineeships/ apprenticeships	Students in yr 11-12 of Gladstone schools	Commenced 2012-2014	\$150,000
TOTAL			\$262,500

7. Aboriginal and Torres Strait Islander Engagement

Australia Pacific LNG is committed to seeking to develop long-term relationships with Aboriginal and Torres Strait Islander parties and broader communities through the implementation of the Aboriginal and Torres Strait Islander Engagement Strategy.

7.1. Employment, Education and Training

Australia Pacific LNG is working closely with its principal contractor, Bechtel, to provide employment options to the Aboriginal and Torres Strait Islander community through direct opportunities associated with construction of the LNG facility, and non-LNG industry related opportunities.

Bechtel is continuing to implement its workforce and training plans, as well as its commitments under a SIMP sub-plan, which commits Bechtel to support Australia Pacific LNG's efforts, particularly as it relates to employment opportunities during the construction phase of the Project.

Table 10 provides details of the current Aboriginal and Torres Strait Islander representation in the Australia Pacific LNG construction workforce, current at 30 June 2012.

Table 8 Aboriginal and Torres Strait Islander Workforce of APLNG

	At 30 June 2012
Number of Aboriginal and Torres Strait Islander employees	24
Representation of Aboriginal and Torres Strait Islander employees in total current construction workforce (%)	1.2%
Number of Aboriginal and Torres Strait Islander Trainees	0
Number of Aboriginal and Torres Strait Islander Apprentices	12
Retention rate of Aboriginal and Torres Strait Islander workforce (%)	92%

7.2. Business Development and Support

A signature project for Australia Pacific LNG that has acknowledged support from the Aboriginal and Torres Strait Islander Community, as well as the wider community, is an innovative approach to micro-enterprise development. Australia Pacific LNG and Many Rivers Microfinance are committed to the implementation of this micro-business development program with the Aboriginal and Torres Strait Islander community in the Gladstone Region. Gladstone will be the first community in Queensland to participate in a program that has found success in many communities through WA, NT and NSW.

Table 11 provides details of Australia Pacific LNG's partnership with Many Rivers Opportunities.

Table 9 Business Development and Support Initiatives

Initiative	Status	Value (\$)
Many Rivers Microfinance	Committed 2013-2015	\$1.5 Million
TOTAL		\$1.5Million

At the conclusion of the three year partnership agreement and assessment of the success of the program, it is anticipated that extension of the Many Rivers partnership will be considered to allow expansion into neighbouring regions.

Case Study: Many Rivers Organisation

Many Rivers is a Not for Profit organisation that provides microenterprise development (MED) and microfinance to Indigenous communities.

MED creates jobs, reduces reliance on welfare, builds the local 'grass roots' economy, and makes a positive contribution to Australia's economic growth and prosperity.

The program is tailored towards Indigenous people with a grass roots approach, with our Field Officers spending the majority of their time out in the field with people face to face where they live, helping them develop their business plan, idea or their existing business activity.

Many Rivers is highly skilled in the area of Indigenous business development, with a proven track record from their Northern NSW operation, 90 Indigenous businesses have been established and supported since April 2008, and over \$370,000 in small loans given out, with over 90% successful repayment of those loans.

The KPI's committed to by Many Rivers, following the implementation of two field officers in Gladstone and working with local and surrounding Indigenous communities, are detailed in the table below.

Two Field Officers in Gladstone Providing Business Support to Clients	Year 1	Year 2	Year 3	Total
Number enterprises supported	30	40	50	120
Number enterprises continuing	15	20	25	60
Jobs created	19	26	33	78

7.3. Cultural Heritage

As the construction phase of the Project progresses, Australia Pacific LNG continues to align with the *Aboriginal Cultural Heritage Act 2003* and the Project's Cultural Heritage Management Plan (CHMP) in avoiding harm to Aboriginal cultural heritage and to the extent that harm cannot reasonably be avoided, to minimise that harm.

8. Community Health and Safety

The Community Health and Safety Strategy aims to reduce potential pressure on community facilities and services and minimise adverse health and safety impacts attributable to the Project.

8.1. Emergency Response

8.1.1. Emergency Response Planning

In Gladstone, Australia Pacific LNG has undertaken considerable consultation with emergency services to determine how each service is resourced to be able to respond to a significant incident or event on Curtis Island. Emergency Response and Preparedness Plans have been prepared by all LNG proponents with their Principal Contractor, Bechtel. In efforts to develop a coordinated response,

Australia Pacific LNG Downstream Biannual Report to the RCCC

Australia Pacific LNG has facilitated a collaborative approach in order to fully understand what limitations exist in key services' capacity to respond to an event on Curtis Island. Five working group sessions involving LNG proponents, Bechtel, Emergency Services, Queensland Health and Gladstone Regional Council have been held to date, resulting in the development of an overarching plan that aims to align response processes across the Curtis Island construction sites.

A key concern arising from consultation centered on manpower, particularly the ability to attract personnel to Gladstone due to the high cost of accommodation and flow on high costs of living. Further details of Australia Pacific LNG's response to this impact are available in Section 5 of this report.

8.1.2. Onsite Emergency Response

To assure our workforce the most timely paramedic response and reduced reliance on state operated emergency services, Australia Pacific LNG has available at the site:

- **Paramedic Marine Vessel-** a purpose built vessel equipped to transport patients from Curtis Island to the mainland while allowing continuity of care throughout the journey. The vessel may be used to assist in other marine incidents, should the need arise
- **On-site Health Professionals-** a registered medical doctor, an occupational nurse and paramedic care at its Curtis Island site

LNG proponents are currently in the process of finalising the provision of an Aero Medical Evacuation (AME) Service in Gladstone.

8.2. Workforce

Safety of the workforce and the community is the highest priority of the Australia Pacific LNG Project. To demonstrate this, a number of initiatives, detailed in Table 12, have been implemented to encourage health and safety consciousness amongst the construction personnel.

Table 10 Workforce Health & Safety Initiatives

Initiative	Description
Project Work Rules	In collaboration with Bechtel, the Project has implement a workforce code of conduct which governs the behaviour of all constructional personnel, including all levels of sub-contractor employees, when in transit from their home base to site, and while engaging with the Gladstone Community.
Fitness for Work	Australia Pacific LNG and Bechtel collaboratively enforce a zero tolerance policy or drugs and alcohol with frequent random testing campaigns administered. This policy also encompasses Fatigue Management.
Safety Induction	Undertaking a safety induction, designed to create a safe workplace for personnel, visitors and community alike, is a mandatory requirement for any individual to enter the construction site.
Living in Gladstone	Australia Pacific LNG is aiming to have a local active workforce that is connected with the Gladstone community. To aide this, Australia Pacific LNG assists relocating FNM personnel integrate into the community by providing Gladstone orientation support. Bechtel also runs a local orientation and assistance program for relocating direct hire FNM personnel.

8.3. Community Health and Safety

8.3.1. Community Awareness Programs

Australia Pacific LNG is committed to expanding community safety awareness programs in conjunction with industry partners, government and community groups, to develop responses to project-related community safety issues in the region.

The Project's first initiative in community awareness is a partnership with the Police Citizens Youth Club (PCYC) and Gladstone Regional Council, to support 2012 as **Year of Cycling in Gladstone**. The initiative is primarily aimed at children riding their bikes to school but promotes messages applicable the entire community on cycling safety. The initiative, publicly launched on 21 January 2012, includes a program of community events running throughout the year further encouraging community participation and cohesion.

Case Study: Gladstone 2012; Year of Cycling

The Gladstone Year of Cycling Initiative was developed by the Gladstone Regional Council to encourage healthy lifestyles within the region through participation in bike-riding. The program is a grass-roots engagement initiative designed to increase the use of local amenity while simultaneously promoting community connectedness through healthy physical activity. Australia Pacific LNG worked with the Council and the PCYC to broaden the scope of the initiative to include rider safety courses for children aged 5-14 and a children's helmet program in partnership with local branches of the Queensland Police Service.

The council have implemented a multifaceted range of cycling activities to engage a diverse demographic to bike based sports, including 'come and try' style events for mountain, BMX and road biking. Additional to these come and try programs, basic bike maintenance and safety courses have also been run throughout the year to support all riders in caring for themselves and equipment. The PCYC have successfully run four rider education sessions with a further four planned for the second half of 2012, it is expected that 80 children within the region will participate in these courses throughout the year. Up to 30 June 2012, there have been more than 3,300 participants across the year of cycling activities.

Primarily driven by the Queensland Department of Communities, with Gladstone selected as the launching pad, the **'Air your Dirty Laundry'** campaign was identified as an opportunity to raise community awareness on an issue commonly associated with fly-in-fly-out (FIFO) and industrial workforces. The campaign raised awareness and lifted the taboo of family and domestic violence, encouraging early intervention while providing low levels of access to preventative services.

Australia Pacific LNG has committed funding to a partnership with Gladstone Regional Council and other elective industry partners, focusing on a **CBD Community Safety Campaign**. This initiative is aimed at reducing incidents of anti-social behaviour and violence in the hotel/entertainment precinct of the Gladstone CBD. The campaign is currently under review by Council and partners.

Through the sponsorships and donations community investment vehicle, Australia Pacific LNG has assisted the **Voluntary Marine Rescue Gladstone** in fitting out their new headquarters with office furniture and the I.T. and communications

Australia Pacific LNG Downstream Biannual Report to the RCCC

equipment necessary for them to continue serving the Gladstone boating community.

Table 13 provides an overview of the community awareness campaigns supported by Australia Pacific LNG.

Table 11 Community Awareness Campaigns

Initiative	Partners	Status	Value (\$)
Year of Cycling	Gladstone Regional Council PCYC	Commenced	\$30,000
Air Your Dirty Laundry	Queensland Department of Communities	Completed	\$10,000
Community Safety Campaign	Gladstone Regional Council Participating Industry partners	Committed	\$10,000
Voluntary Marine Rescue Gladstone	VMR	Commenced	\$54,000
TOTAL			\$104,000

8.4. Transport and Road Safety

Australia Pacific LNG considers logistics and road infrastructure to be out of direct scope of the SIMP. These impacts are managed through the Gladstone Logistics Plan, and Road Infrastructure Agreements with the Department of Transport and Main Roads, and Gladstone Regional Council. Road safety however, has been identified as a high priority for the community. Australia Pacific LNG therefore communicates the following activities which aim to improve transportation and road safety in interactions to assure the community the Project recognises this concern.

Transport Logistics

The Project's Gladstone Logistics Plan has been developed to manage land and marine traffic movements during the construction phase of the Project. The Plan has significant relevance to community safety and amenity, and is a key informant to community health and safety actions applicable to the SIMP.

Comprehensive management plans will be progressively implemented as Project activities increase during 2012 and are subsequently reported to the RCCC.

Project planning identified early mitigation methods to reduce traffic in and around Gladstone, and include:

- **Bensted Road office complex and logistics hub** on the outskirts of Gladstone, currently providing secure parking for local and non-local personnel who are transferred to the ferry terminal by shuttle bus.
- **Fisherman's Landing Northern Expansion** as the Project's mainland platform for transport and movement of all personnel and project materials and equipment. The facility is projected to be fully operational in quarter three 2012, and will result in Australia Pacific LNG being able to operate completely away from the currently utilised Marina facilities and CBD locations, as well as providing an additional advantage of operating away from major harbour shipping channels.

Australia Pacific LNG Downstream Biannual Report to the RCCC

Other Transport Safety Initiatives

Australia Pacific LNG has partnered with GLNG and QCLNG to fund the installation of an Instrument Landing System at Gladstone Airport. Each proponent has provided \$3.5 Million towards the system installation which will significantly enhance reliability of air services during adverse weather conditions.

9. Local Content

As at March 2012 more than \$2.9 Billion² has been spent on the mobilisation and early works associated with the Australia Pacific LNG Project with approximately 79% being spent in Australia. Of which, \$1.44 Billion has been spent on goods and services from Queensland based firms.

Australia Pacific LNG is committed to establishing a robust supply chain by encouraging suitably qualified, capable local firms to take advantage of the opportunities that are being provided by the Project. This commitment to evaluate local industry capability and assess the best overall proposal is a requirement that Australia Pacific LNG also passes onto its Tier One Contractors when sub-contracting work packages. Australia Pacific LNG procurement is undertaken in light of the Project's commitment to giving 'full, fair and reasonable' consideration to local businesses.

The figures provided in this section are relevant to the entire Australia Pacific LNG Project, across the gas fields, pipeline and LNG facility sections.

9.1. Total Spend

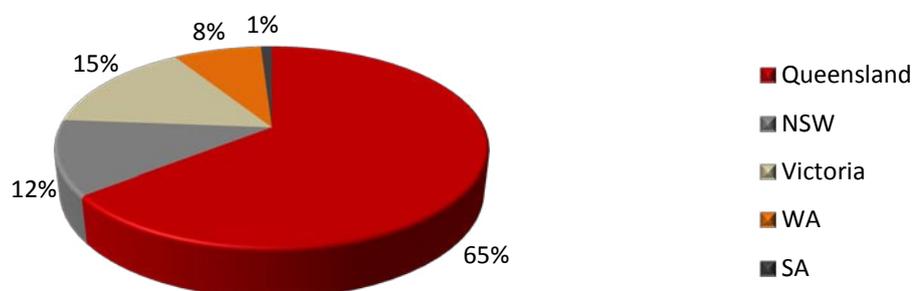
Table 14 provides an overview of the Project wide spend since 2010.

Table 12 Total Spend since 2010 in AUD

Total Spend	(AUD) \$2,900,000,000	
Spend in Australia	(AUD) \$2,300,000,000	79% of Total Spend
Spend in Queensland	(AUD) \$1,442,000,000	65% of Australian Spend

Figure 9 provides an overview of the breakdown in spend across the Australian states.

Figure 9 Australian Spend



² This figure will grow once further information is received from contractors

10. Proposed changes or adjustments to the SIMP

There are currently no changes being sought to the Australia Pacific LNG SIMP.

11. Feedback

Feedback is welcomed from stakeholders and members of the Regional Community Consultative Committee on the contents of this report and the initiatives mentioned within.

Australia Pacific LNG is committed to providing the RCCC with opportunity to guide and inform activities to mitigate the social impacts on the Gladstone region and communities. This report is issued for comment with feedback welcomed from committee members.

If you wish to provide written feedback please send your comments by COB **Friday 5 October 2012**, addressed for the attention of the Social Performance and Compliance Coordinator, to:

Email: APLNG.Gladstone@conocophillips.com

Mail: Reply Paid
Australia Pacific LNG
Gladstone Community Centre
84 Goondoon Street, Gladstone QLD 4680