



REPORT

Biannual Report to the Western Downs Regional Community Consultative Committee

Q-LNG01-15-RP-0554

Australia Pacific LNG Upstream Project

A report on Australia Pacific LNG Social Impact Management Plan Gas Fields and Pipeline implementation progress in Western Downs from July to December 2012

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Preface

This report on the Australia Pacific LNG Upstream Project Social Impact Management Plan (SIMP) is prepared for the Western Downs Regional Community Consultative Committee (RCCC) and is issued for use.

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 July through December 2012.

As at December 2012, the Project was 29% completed. The status of initiatives in the SIMP at December 2012 was as follows:

- 22% of activities were completed as one-off initiatives;
- 63% of activities were on track (either in progress towards completion or ongoing initiatives); and
- 15% of activities were scheduled to commence from 2013 or according to a later point in the project schedule.

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 RCCC 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 activities in the implementation of the SIMP from July to December 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 upstream (gas fields and pipeline) Australia Pacific LNG Project and in most cases is associated with activities in the Western Downs local government area (LGA) only. Reports for the downstream (LNG facility) component and for other upstream regions (Maranoa and Banana Shire) 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.

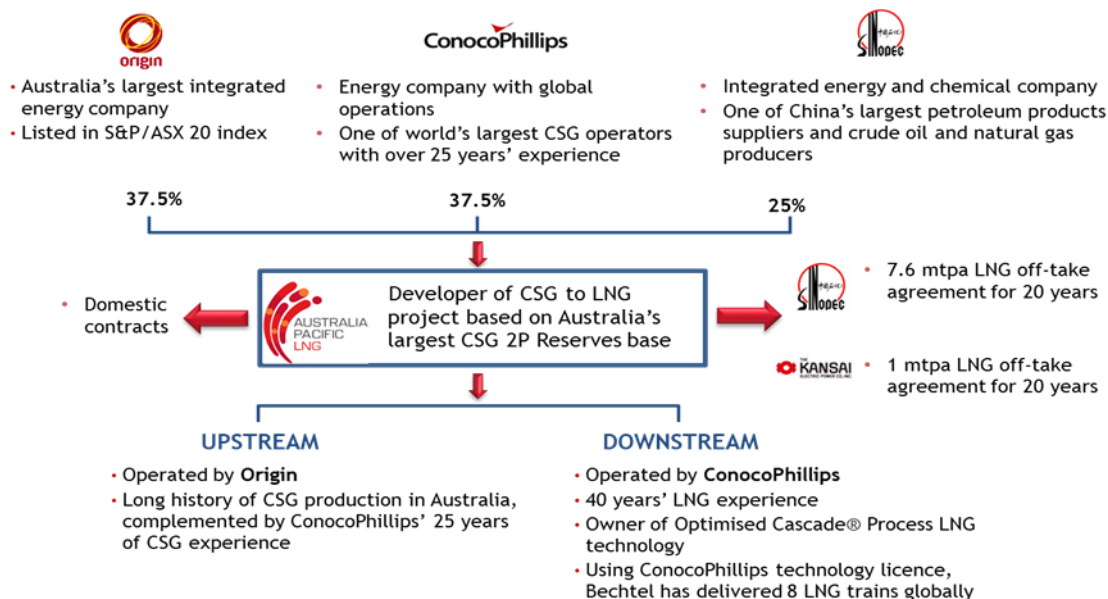
The Australia Pacific LNG Project is a development of coal seam gas resources in the Surat Basin in South Western Queensland and the Bowen Basin in Central Queensland, the construction and operation of a gas transmission pipeline from the gas fields to Gladstone, and a multi-train natural gas liquefaction 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 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 to 9.6 million tonnes per annum.

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

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

Figure 1 Australia Pacific LNG Structure

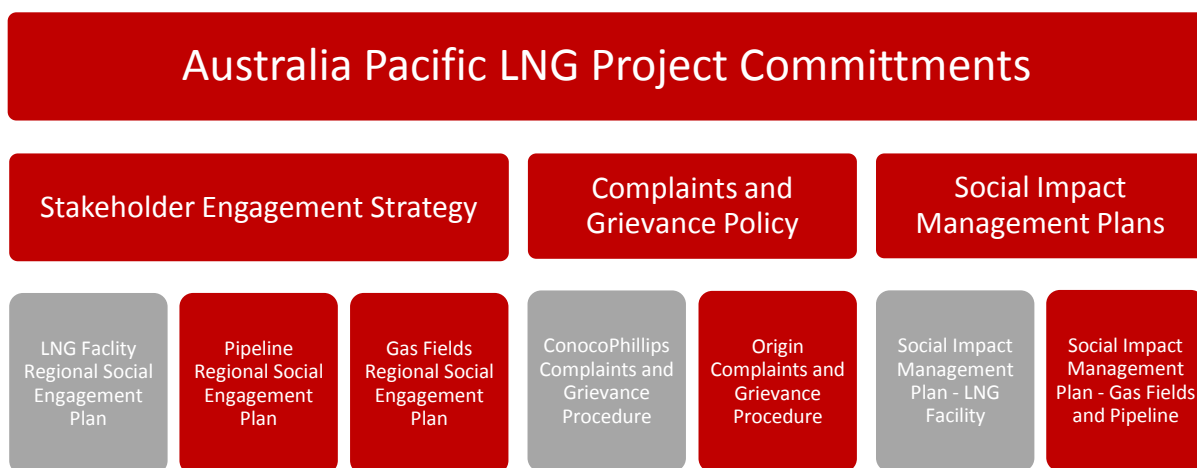


2. Social Performance Framework

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 Australia Pacific LNG 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
- Indigenous Engagement
- Community Health and Safety
- Community Investment
- Local Content
- Land Use and Land Access

3. Stakeholder Engagement

Stakeholder engagement has underpinned the development and early delivery of the SIMP. Australia Pacific LNG will continue to consult with and involve key stakeholders in the ongoing development and refinement of its social performance activities. This includes relevant local government authorities, state government agencies, communities and others with an interest in the Project.

3.1. Government

Pre SIMP Approval

During the development of the SIMP, extensive consultation with government agencies and departments occurred at state and 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 consulted during the development and early implementation stages of the SIMP.

Table 1 Government Consultation for SIMP Development

Stakeholder ¹	Strategies discussed
DEEDI	<ul style="list-style-type: none"> Housing and accommodation 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"> Housing and accommodation 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"> Housing and accommodation Community investment Community health and safety
QPS	<ul style="list-style-type: none"> Housing and accommodation Community investment Community health and safety
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

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.

DERM	<ul style="list-style-type: none"> Community investment
Western Downs Regional Council	<ul style="list-style-type: none"> All strategies

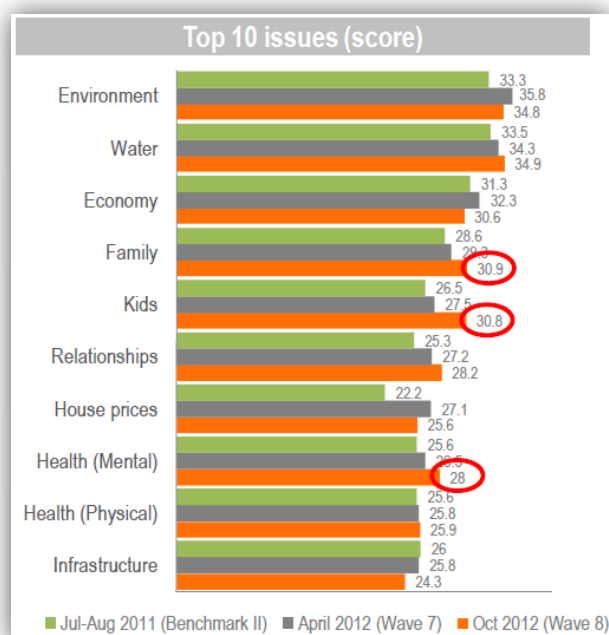
Post SIMP Approval

Following approval of the SIMP on 20 July 2012, regular engagement has continued with state and local government as part of the SIMP implementation. This has included quarterly briefings with local council and ongoing State Government engagement primarily through the Social Impact Assessment Unit (SIAU).

3.2. Community

Regular community engagement has been key to SIMP development and delivery. In addition regular research is conducted to identify emerging issues. The most recent qualitative research (Figure 3) from October 2012 showed the community was sensing and feeling increased project activity.

Figure 3 Qualitative Research - Top 10 Issues



The RCCC remains a key forum for engagement. In the period July through December 2012, Australia Pacific LNG held two meetings with the Western Downs RCCC to provide Project and SIMP implementation updates and seek feedback on key issues and initiatives. These were held on September 13, 2012 and December 6, 2012.

3.3. Enquiries

The Project seeks to make it easy for stakeholders to contact us by maintaining a range of information channels, including shop fronts in Chinchilla and Miles, the Origin and Australia Pacific LNG websites, email enquiry channels and a project information hotline. The

number and nature of enquiries received from July through December 2012 are shown in Table 2.

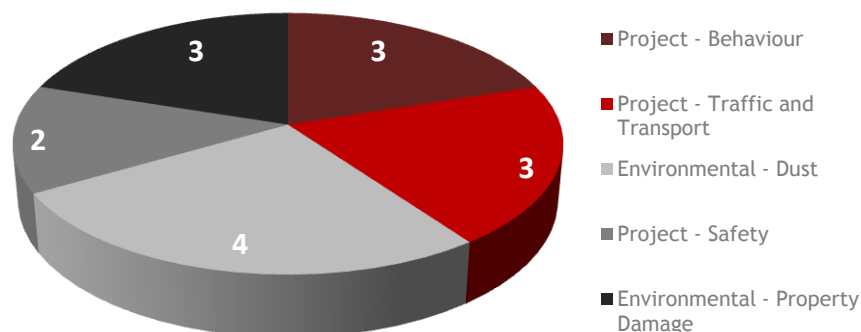
Table 2 Stakeholder Enquiries Gas Fields July to December 2012

Method of contact	Number of enquiries	Common reasons for contact
Phone	895	<ul style="list-style-type: none"> • Employment • Sponsorship • Call transfer
Website or email	587	<ul style="list-style-type: none"> • Employment • General • Media
Regional office walk-in	274	<ul style="list-style-type: none"> • Employment • Supplier enquiries • Community Skills Scholarships • Sponsorship

3.4. Complaints

Stakeholder feedback, 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 emerging impacts. The Project is conditioned by the Coordinator-General to acknowledge the receipt of a complaint or grievance within two working days. From July to December 2012, the Project Upstream operations received 28 complaints from landholders or community members, an increase on the previous six months. On investigation, five complaints were found to be unrelated to the Project, and of the remaining related complaints, 15 were received from the Western Downs region. Of these, seven have been resolved and the rest have been acknowledged and are being managed in accordance with the complaints management system, Atlas, which is audited regularly for compliance. Figure 4 provides a breakdown of Upstream complaints in Western Downs.

Figure 4 Topics of Upstream Complaints - Western Downs, July to December 2012



4. Community Investment

Australia Pacific LNG works to mitigate identified social impacts through four distinct investment vehicles, including:

- Social infrastructure;
- Partnerships;
- Sponsorships and donations; and
- Employee giving and volunteering.

It seeks to allocate investment aligned to key themes including:

- Skills, education and training;
- Community safety, health and wellbeing;
- Sustainable population growth;
- Natural resource stewardship; and
- Community cohesion.

Community investment is also allocated geographically to align with the proportionate impacts of the Project activity. As the majority of the Project impacts in the upstream area are within the Western Downs Regional Council area, in particular Miles and Chinchilla, most of the phase one community investment will occur in these towns. The approximate allocation of investment by local government area is provided in Table 3 below.

Table 3 Allocation of upstream community investment per local government area

Western Downs	Maranoa	Banana Shire
65%-70%	25%-30%	5%-10%

Since commencement, Australia Pacific LNG has spent approximately \$3.1 million in community investment initiatives in Western Downs, including approximately \$1.2 million during the July to December 2012 reporting period. Figure 5 and Figure 6 provide a breakdown of this expenditure.

Figure 5 Community Investment since Project Commencement - Western Downs

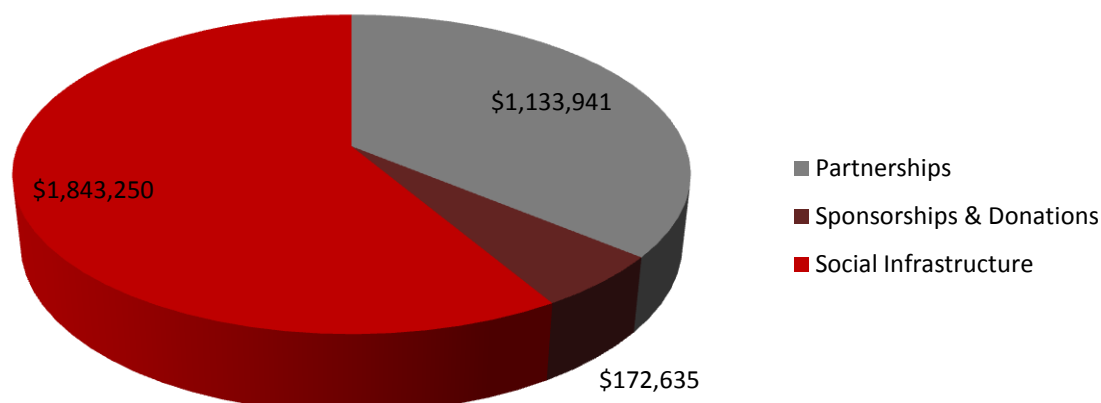
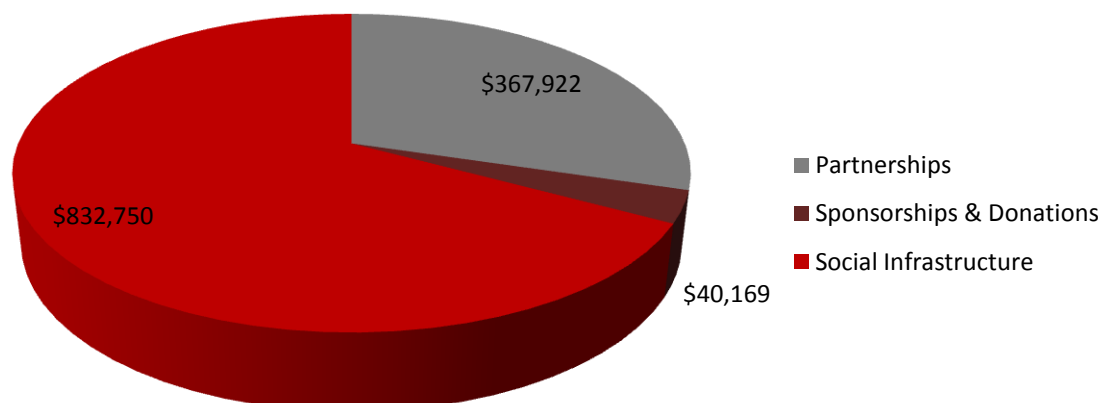


Figure 6 Community Investment July to December 2012 - Western Downs



4.1. Social Infrastructure

Social infrastructure investment focuses on large scale investments in ‘hard’ infrastructure aligned to local and state government priorities. The focus to date in Western Downs has been towards mitigating housing impacts through proposed investment in the Miles water and sewerage network upgrade and the development of affordable housing (for more information see sections 5.3 Affordable Housing Partnership and 5.4 Facilitation of Housing Development).

4.2. Partnerships

Partnerships established as part of specific SIMP strategies are outlined in the relevant sections:

- Section 5 Housing and Accommodation;
- Section 6 Workforce and Training;
- Section 7 Aboriginal and Torres Strait Islander Engagement;
- Section 8 Community Health and Safety; and
- Section 10 Land Use and Land Access.

A number of partnerships also exist to support general community capacity building. Key community capacity building partnerships progressed during the July to December 2012 reporting period are shown in Table 4.

Table 4 Community Capacity Building Partnerships Progressed July to December 2012 - Western Downs

Initiative	Description	Status	Agreement Value
Miles Ahead	Program to support local businesses, outside the project supply chain, to benefit from regional growth opportunities	Launched November 2012	\$240,000
REM Plan licence for Regional Development Australia	Will provide local councils access to data to assist population and infrastructure planning	Committed 2012 for 2013 implementation	\$25,000
Community Support Program	Aimed at supporting community services to be proposed for delivery through community centres in Miles and/or Chinchilla	Proposed for 2013	TBD
Non Government Organisation (NGO) capacity building	Aimed at improving service delivery capacity of community centres in Miles, Tara, Dalby and Chinchilla	Proposed for 2013	TBD

4.3. Sponsorships and Donations

From July to December 2012 the project made payments of approximately \$40,000 towards sponsorships and donations of events aimed at promoting a sense of community connectedness in the Western Downs region.

Examples of sponsored events in Western Downs included:

- The Beef, Bells and Bottle Tree Festival;
- The Chinchilla Grandfather Clock Campdraft; and
- The Miles Christmas Street Carnival.

4.4. Employee Giving and Volunteering

The giving of time and personal resources by Project personnel in a voluntary capacity cannot be accurately measured in financial terms. Aside from the positive contribution this volunteering makes in each region, it also assists Australia Pacific LNG personnel in establishing and maintaining connections with their communities.

Since the Project began, employees have volunteered their time across a range of initiatives in the Western Downs region including emergency response assistance and community events like the Beef, Bells and Bottles Trees festival. A program within Origin is being developed to formalise and capture the time donated by employees to community events.

5. Housing and Accommodation

The housing strategy for the gas fields component of the Australia Pacific LNG Project is developed around four main mitigation themes:

- Provision of temporary workforce accommodation facilities (TWAF);
- Offsetting short term impacts to rental affordability;
- Developing and funding partnerships that introduce affordable housing product; and
- Facilitating development in the private housing market.

Table 5 provides a summary of the housing and accommodation investment progressed during July to December 2012. More details are provided in the following sections.

Table 5 Housing and Accommodation Initiatives Progressed July to December 2012 - Western Downs

Initiative	Description	Status	Value
Housing support officer program, Miles and Chinchilla	Short-term funding of a role to help place prospective tenants. It ceased due to a lack of rental properties. Efforts are now focused on other mitigation initiatives detailed in this section.	Completed 2012	\$150,000
Affordable housing development - Miles	Horizon Housing partnership to construct nine affordable dwellings in Miles	Due for completion 2013	\$2.05 million
Miles rental subsidy	A short-term initiative to subsidise rent for participating properties while market rents are impacted by high demand	In progress 2012-2013	\$150,000
Miles water and sewerage network upgrade	Proposed support for network capacity upgrade, dependent on co-contributions from WDRC and the Queensland Government if funded through the Royalties for the Regions (R4R) program	Proposed in 2012, dependent on R4R outcomes in 2013	Up to \$1.29 million (TBC)
Western Downs Housing Trust	The project is discussing options with the Housing Trust to align project and community efforts to develop affordable housing	Commenced meetings in 2012	TBD

5.1. Temporary Accommodation

The main housing mitigation strategy in the gas fields revolves around adequate and timely provision of Temporary Workforce Accommodation Facilities (TWAFs). Table 6 shows the progress of planned TWAFs at December 2012.

Table 6 Gas Fields and Pipeline TWAFs

Type of TWAF	Location	Duration	Number of TWAFs	Status at Dec 2012
Facilities construction	Condabri Combabula/ Reedy Creek / Spring Gully	Short term	5	<ul style="list-style-type: none"> • 3 completed • 1 in progress
Gathering	Condabri Combabula/Reedy Creek	Medium term	3	<ul style="list-style-type: none"> • 1 completed • 2 in progress
Operations	Talinga Condabri Combabula/Reedy Creek Spring Gully	Long term	4	<ul style="list-style-type: none"> • 2 completed
Pipelines	On or near pipeline right of way	Short term	8	<ul style="list-style-type: none"> • 3 completed
Drilling	Near drilling sites	Medium term (although short term in each location)	Peak of 9	<ul style="list-style-type: none"> • Varies depending on rig operations

In addition, the Project is using temporary accommodation in commercial TWAFs in Miles and Chinchilla as overflow facilities.

5.2. Short Term Rental Affordability

Two key short-term strategies have been implemented to address rental affordability, while the property market experiences peak demand.

1. Miles Rental Subsidy

This short-term initiative will see \$150,000 available to subsidise rent for participating properties. By December 2012, the program had enlisted three rental properties and work was under way to secure a fourth property in 2013.

2. Housing Support Program

The \$150,000 Housing Support Programs in Miles and Chinchilla were completed in 2012. They became unviable due to a lack of rental properties in which to place prospective tenants and have ceased. Efforts are now focused on the other mitigation initiatives detailed in this section.

A third program, RentConnect, was delivered in 2011. This saw Australia Pacific LNG fund the Department of Housing and Public Works to deliver the RentConnect program in Miles and Chinchilla for a period of six months to support clients who were facing difficulties accessing rental accommodation.

5.3. Affordable Housing Partnership

Australia Pacific LNG has established a partnership with Horizon Housing to develop nine affordable dwellings in Miles. A sod-turning event in September 2012 officially marked the start of development which is on track for completion in early 2013. Australia Pacific LNG has also attended meetings of the Western Downs Housing Trust with the aim of aligning

Project and community housing priorities, enabling the delivery of more affordable accommodation in 2013.

5.4. Facilitation of Housing Development

The Project is working with Western Downs Regional Council to support sustainable, market-led growth through significant investment in infrastructure. Specifically Australia Pacific LNG has proposed potential support of up to \$1.29 million for the \$4.2 million upgrade to the Miles water and sewerage network. This would more than triple the network capacity. This investment is dependent on co-contributions from Western Downs Regional Council and the Queensland Government if funded through the Royalties for the Regions (R4R) program in 2013.

6. Workforce and Training

Through its Workforce and Training Strategy, Australia Pacific LNG has implemented a range of initiatives to address three key objectives:

- Maximize employment opportunities for local residents and under-represented groups;
- Increase the local community's skills capacity for employment; and
- Increase industry-wide labour capacity.

Table 7 provides a summary of the workforce and training initiatives progressed in Western Downs during the July to December 2012 reporting period.

Table 7 Workforce and Training Initiatives²

Initiative	Description	Status	Value
Queensland Minerals and Energy Academy	A joint partnership with Arrow, QGC and Santos to support QMEA in a high school program. The three-year program commenced in 2010	Completed 2012	\$200,000
Count Me In	A training and employment program targeting women's participation in the workforce	In progress 2012-2014	\$200,000
Community Skills Scholarship	Financial and networking support for apprentices, assisting them to complete their training locally	Ongoing	\$60,000 during reporting period
Miles Trade Training Centre	Develop a training facility at Miles State High School	Proposed 2012 for 2013 implementation	\$103,000
CSQ Alliance	Assistance to Australia Pacific LNG contractors to develop workforce development plans and access funding for training initiatives	In progress 2012-2015	Funded by CSQ

6.1. Current Workforce

A snapshot of the Australia Pacific LNG upstream workforce is provided in Table 8.

Table 8 Total Upstream Project Employees and Contractors at December 2012

Project Function	Employees and contractors (FTE)
Employees	2,254
Contractors	3,584
Total	5,838

² See also Section 7.1 Aboriginal and Torres Strait Islander Engagement for education and training initiatives involving Indigenous community members

6.2. Local Labour Supply

Australia Pacific LNG aims to promote local employment opportunities through a range of activities. Examples of initiatives undertaken from July to December 2012 included the continued presence of a local recruitment officer in Chinchilla and participation in three career expos.

6.3. Training and Development

The Project aims to support training and development initiatives to meet workforce demands of the gas fields region across CSG-related and unrelated industries. Key milestones reached during the July to December 2012 reporting period include:

1. Count Me In - second phase developed

Count Me In aims to increase women's participation in the local workforce, thereby reducing the need for out-of-town workers and relieving housing affordability pressures. Phase 2 will see the appointment of a coordinator to work with the YWCA for 18 months to implement opportunities for the 460 women who identified they would like to resume work in the Surat region.

2. Community Skills Scholarship - 100th apprentice awarded

As detailed in the Case Study below, more than 100 apprentices have now been awarded scholarships to help them complete their training locally.

See also Section 7.1 Aboriginal and Torres Strait Islander Engagement for education and training initiatives involving Indigenous community members.

Case Study: Community Skills Scholarship

Another twenty-two apprentices developing a career in their local area were inducted into the Origin Energy Community Skills Scholarship (CSS) program in September 2012. The 2012 intake held special significance with the total number of successful scholarship recipients passing the 100 mark.

The program is one way in which Origin is addressing skills development and labour capacity across a range of industries in the gas fields and pipeline regions. It enables young people to realise their ambitions to "learn and earn" in their local communities.

The Community Skills Scholarship program has been running for six years. It has been open to new or first year apprentices aged 15 years or older, living in the Biloela, Springsure, Rolleston, Injune, Roma, Surat, Wallumbilla, Wandoan, Miles, Condamine, Chinchilla, Tara, Millmerran and Dalby areas.

The program offers successful applicants up to \$13,500 to support them through their apprenticeship in a local trade. Businesses that provide ongoing employment for an Origin Skills Scholarship apprentice will also receive financial incentives.

The program will continue in 2013.

7. Aboriginal and Torres Strait Islander Engagement

Australia Pacific LNG is committed to seeking long-term relationships with Aboriginal and Torres Strait Islanders and broader communities through the implementation of the Aboriginal and Torres Strait Islander Community Strategy. The strategy focuses on employment, education, training, business development and cultural heritage.

7.1. Employment, Education and Training

Australia Pacific LNG is working on a number of initiatives to improve employment, education and training outcomes for Indigenous community members in the Western Downs and greater gas fields regions.

Table 9 provides a summary of the key initiatives progressed during the July to December 2012 reporting period.

Table 9 Aboriginal and Torres Strait Islander Employment, Education and Training Initiatives

Initiative	Description	Status	Value
Indigenous drilling training	17 Indigenous participants completed a Certificate II in drilling	Completed 2012	\$75,000
ICAN Indigenous Schools Program	An Indigenous school student retention program run across the gas fields in partnership with the Gold Coast Titans	In progress 2012-2014	Up to \$600,000 committed
MCJV (Australia Pacific LNG contractor) Indigenous up-skilling program	Indigenous employment and up-skilling program covering welding, concreting, steel fixing and plant operations	Commenced 2012	MCJV initiative
Harness Indigenous drilling training	Proposed training for 12-15 Indigenous participants	Proposed 2012 for 2013 implementation	TBA
Ostwald Brothers Indigenous plant simulator training	Origin has been involved in the development of a training camp with QGC and Ostwald Brothers to bridge skills gap for employment	Developed 2012 for use in 2013	Nil

Origin also supports Indigenous employment through the engagement of Indigenous weed washdown provider Muddy Waters, which provides services to Project vehicles in Chinchilla.

7.2. Business Development and Support

Australia Pacific LNG is aiming to create partnerships to enhance business development and support opportunities for Indigenous businesses in the Western Downs and broader gas fields regions. These programs support the Project's SIMP commitments and Indigenous Land Use Agreements. In the last quarter of 2012 preliminary discussions were held with potential partners, with a view to establishing formal partnerships in 2013.

7.3. Cultural Heritage

As the construction phase of the Project progresses, Australia Pacific LNG continues to comply with the *Aboriginal Cultural Heritage Act 2003* through Cultural Heritage Management Plans (CHMP) negotiated with the Traditional Owner groups within the Project area. These CHMPs aim to avoid harm to Aboriginal Cultural Heritage. If harm cannot reasonably be avoided, it will be minimised. The Project CHMPs were also negotiated to manage and protect Cultural Heritage through consultation and mitigation across the Project.

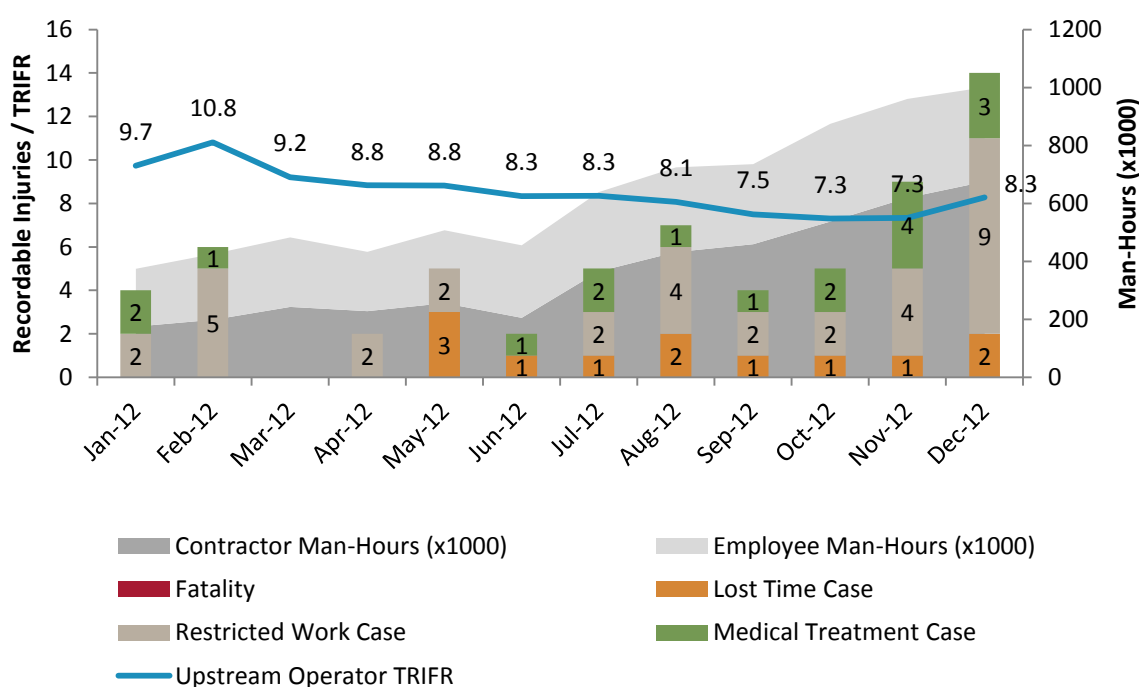
8. Community Health and Safety

Safety of the workforce and the community is the highest priority of the Australia Pacific LNG project. The Community Health and Safety Strategy aims to minimize potential health and safety risks, and to mitigate population growth pressure on emergency and health services providers. The following sections outline safety performance and safety initiatives across the Project.

8.1. Safety Performance

Figure 7 shows the total recordable injuries frequency rate for upstream operations. The initiatives in the following sections aim to continually improve safety performance.

Figure 7 Recordable Injuries January to December 2012 Upstream Operations



8.2. Emergency Response and Health Services

A number of strategies and initiatives have been undertaken to ensure the availability of adequate health and emergency services, to meet the needs of the Project and the community. Key initiatives are outlined below.

1. Emergency Management Framework

An emergency management framework and emergency management plans are in place to coordinate activity, roles and responsibilities at the corporate, project, regional and site level. In the last half of 2012 the Group Emergency Management Team was activated twice in relation to bush fires. Training drills were also conducted to simulate a flood response.

2. Emergency Hotline

An emergency response phone number (1800 076 251) has been established and is published on the Australia Pacific LNG website to allow members of the public to directly report emergencies related to upstream operations.

3. Mutual Aid Working Group

Australia Pacific LNG is a member of the Mutual Aid Working Group set up with other proponents to coordinate approaches to emergency services planning and support. The proponents meet regularly with each other and quarterly with emergency services providers.

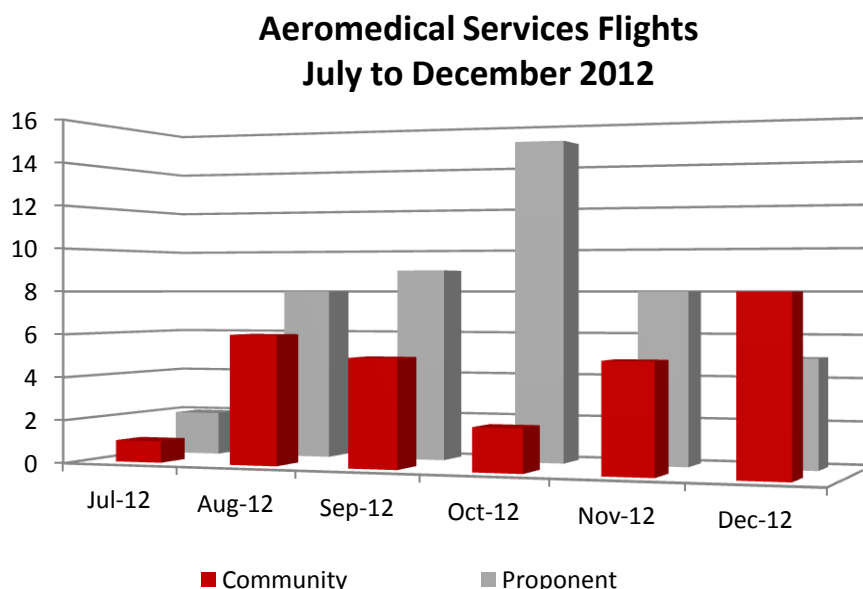
4. Aspen Medical Services

Aspen Medical provides a comprehensive health care network for Project employees and approved contractors at the temporary workforce accommodation and operational site locations in the region to lessen the burden on existing medical services in these communities. During the July to December 2012 reporting period, the Aspen Medical caseload was approximately 350 cases.

5. Aeromedical Service

The project jointly funds, with the other CSG proponents, an Aeromedical Service for the gas fields and pipelines regions with two helicopters based at Roma and Toowoomba. A total of 100 hours was donated for community use in 2012, with that amount to increase to 150 hours in 2013. Figure 8 shows the use of the helicopter for both project and community call outs during the reporting period.

Figure 8 Aeromedical Services Helicopter Call Outs for Community and Proponent Use, July to December 2012



8.3. Workforce Safety Initiatives

The Health and Safety Management Plan guides the implementation of initiatives to encourage health and safety consciousness amongst upstream contractors and employees. Key initiatives are outlined in Table 10 below.

Table 10 Workforce Health and Safety Initiatives

Initiative	Description
Life Saving Rules	Launched across Origin, the Life Saving Rules represent a set of 'no compromise' safety rules applicable across all operations.
Safety inductions	The Development Area Induction to the Australia Pacific LNG Project provides an overview of the CSG to LNG industry, Workplace Safety, Environment Protection, Community Engagement and Land Access, including behavioural standards. This mandatory induction is also incorporated into Principal Contractors HSE Site Inductions.
Safety training	A broad range of training initiatives is offered to support workforce, environment and community safety and to ensure compliance with relevant Queensland and Australian Government requirements.
Health and wellbeing programs	A range of programs are offered to employees and contractors to support their health and wellbeing, including fitness, sun safety, healthy eating, help quitting smoking and access to counseling services through an employee assistance program.

8.4. Transport and Road Safety

Logistics and road infrastructure are outside of the direct scope of the Australia Pacific LNG SIMP. Road safety however, has been identified as a high priority for the community. In recognition of this, a summary of road upgrades and safety initiatives is provided in this report.

Road upgrades in Western Downs

The major road upgrades in the Condabri/Orana development area include:

- Old Cameby Rd
- Fairymeadow Rd
- Condabri Central Access
- Kooralbyn Farm Access
- Airport Access
- McLennan's Rd.

Road safety initiatives

A snapshot of key road safety initiatives is provided below.

- The **CARS (Caring About Road Safety) driver safety program** has been delivered for young drivers in partnership with the RACQ for a number of years at high schools in Western Downs, Maranoa and more recently Banana Shire. The program has trained more than 1,000 students since its commencement.
- The **Every Day is Game Day road safety campaign**, featuring former Rugby League player Darren Lockyer launched in 2012 to encourage safe driving behavior amongst employees and contractors, using internal and external communication channels, including print, radio and web.
- Australia Pacific LNG has contributed to the **Miles Airport upgrade** to help meet its operational requirements. This strategy will reduce the Project's road traffic impacts, removing approximately 1.2 million kilometres of bus travel from Western Downs roads. It is due for completion in 2013.

9. Local Content

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 within the parameters of assessing 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.

9.1. Total Spend

As at December 2012 approximately \$8.7 billion has been spent on the mobilisation and early works associated with the Australia Pacific LNG Project (upstream and downstream). More than 80% was spent in Australia, including 72% on goods and services from Queensland based firms.

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

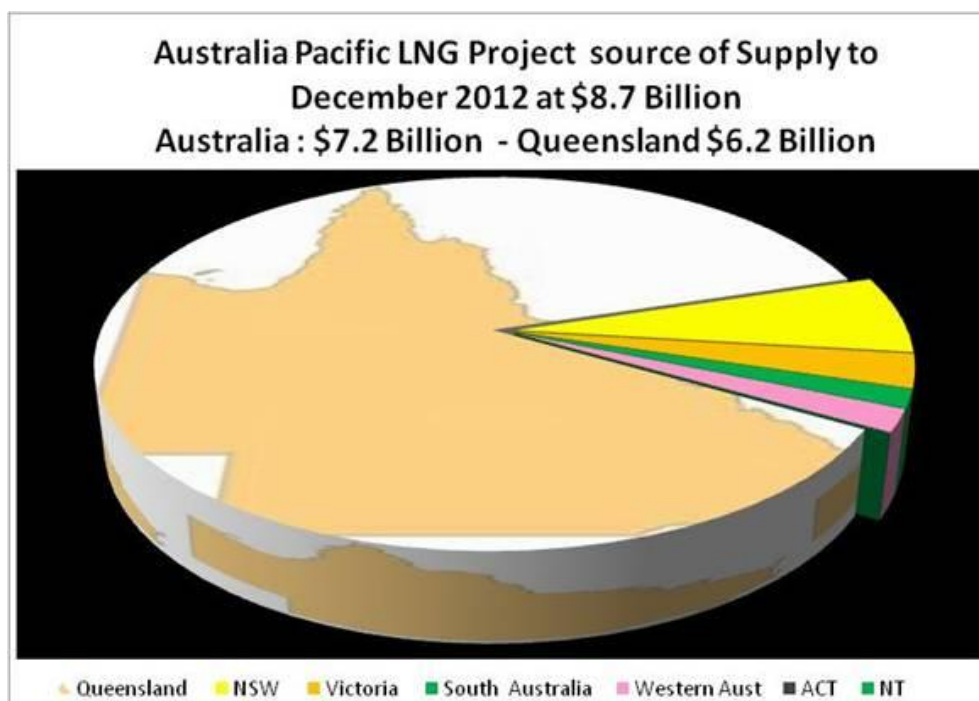
Table 11 provides an overview of the Project-wide spend from 2010 to December 2012.

Table 11 Total Spend Since 2010 in AUD

Total Spend	(AUD) \$8,700,000,000	
Spend in Australia	(AUD) \$7,200,000,000	82% of Total Spend
Spend in Queensland	(AUD) \$6,200,000,000	87% of Australian Spend

Figure 9 Source of Supply provides an overview of the breakdown in spend.

Figure 9 Source of Supply



9.2. Local Supplier Engagement

The project seeks to actively promote supply chain opportunities to local suppliers and provides training and information to help suppliers access these opportunities. Since the project began 4,473 people have attended 32 Supplier Information Sessions. Table 12 shows the sessions held during the July to December 2012 reporting period.

Table 12 Supplier Information Sessions July to December 2012

Date	Location	Attendees
28 August 2012	Toowoomba	132
29 August 2012	Miles	26
30 August 2012	Roma	22
14 November 2012	Gladstone	103
19 November 2012	Roma	40
20 November 2012	Dalby	73
21 November 2012	Toowoomba	225
22 November 2012	Biloela	64

Other initiatives progressed during the reporting period include the appointment of a Regional Supplier Liaison Officer based in Chinchilla, and a continued focus on promoting the Industry Capability Network (ICN) portal. The portal allows interested suppliers to register for contracting opportunities. Since the project began, the ICN has recorded 1684 registrations, including 40 from the Western Downs region.

9.3. Major Contracts

Since the project began major contracts to the value of \$3.6 billion have been awarded for gas fields and pipeline related activity. During the period July to December 2012 two major contracts were awarded:

- In July 2012, Laing O'Rourke was awarded the \$650 million contract to build gas processing plants and associated infrastructure at Condabri, Orana (east of Talinga), Reedy Creek, Combabula and Eurombah Creek, creating up to 600 jobs; and
- In September 2012, WDS Limited was awarded the \$280 million contract for gas gathering works associated with wells at Reedy Creek and Combabula, north of Yuleba.

10. Land Use and Land Access

The Land Use and Land Access action plan in the SIMP aims to support delivery of operations in a way that minimises land and amenity impacts, while identifying opportunities to share project benefits with land holders. Key initiatives supporting the Land Use and Land Access action plan objectives are outlined in Table 13 below.

Table 13 Land Use and Land Access Initiatives

Initiative	Purpose	Description
Minimal disturbance drilling rigs	Minimising impacts	In an Australian first, Australia Pacific LNG drilling contractor Savanna is using new hybrid coil tubing drilling rigs. The technology used in these rigs provides faster turnaround of well delivery, safer operation and less land disturbance. The portable rig design means they can be moved virtually anywhere without building or grading roads, resulting in a disturbance area one-tenth of the size of a conventional drilling rig.
Working Together Pilot program	Creating mutually beneficial outcomes and minimising impacts	An Origin-led initiative to accredit landholders to manage land around CSG infrastructure. The pilot provides up skilling opportunities and an additional income stream, while also addressing landowner concerns regarding impacts (e.g. security, privacy, control).
Weed wash down facilities	Creating mutually beneficial outcomes	Australia Pacific LNG has committed \$400,000 to Banana Shire Council to co-fund the upgrade of the Taroom weed wash down facility, and is in discussions with Western Downs Regional Council about contributions to a facility in its region.

Case Study: Working Together Pilot Program Update

Working Together is an industry first program developed by Origin, Department of Education Training and Employment and Skills Queensland, promoting collaboration between farmers and CSG companies. The program provides landholders with the opportunity to gain formal recognition for their environment and land management skills, enabling them to carry out related activities supporting gas infrastructure on their properties.

By December 2012, 17 participants had completed the Certificate III in Rural Operations, including eight from Western Downs and nine from Maranoa local government areas. The project remained on track to reach the target of 20 participants. Graduates are now performing land management activities around project wells on a paid basis.

Origin designed the program in consultation with the Queensland Farmers Federation, AgForce and individual landholders. Australia Pacific LNG and Skills Queensland are both contributing up to \$250,000 to the pilot program.

If successful the program will be considered for implementation across the Australia Pacific LNG project, and potentially the industry. The program has received positive feedback from participants and agricultural groups, and there has been interest from other proponents and landholders in becoming involved. An assessment of the pilot will be conducted in 2014.

11. Proposed Changes or Adjustments to the SIMP

There were no changes proposed or sought to the Australia Pacific LNG SIMP during July to December 2012.

12. 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 the opportunity to guide and inform activities to mitigate the social impacts on the Western Downs region and communities.

If you wish to provide feedback please contact us:

- Email: contact@aplng.com.au
- Phone: 1800 526 369 (toll free).