A Reflection on CSG-LNG Approvals

Approvals challenges with a fast moving new industry and how it has turned out so far

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Background

- 4 ½ years with QGC (a BG Group Company) as an Environmental Manager
  - Tail end of EIS process for QCLNG Project (2009-2010)
  - Second tier approvals at Gladstone (Curtis Island and Gladstone Port) (2010-2011)
  - Inclusion of pipeline and gasfield approvals (2012-2014)
- Previously - 2 years as Environmental Manager for small mining start-up company (Gladstone Pacific Nickel) and more than 15 years as an environmental consultant
- Currently Practice Lead - Approvals at AECOM

Introduction

- CSG-LNG - global first in Queensland
- 4 projects proposed between 2007 and 2009
- GLNG (July 2007) approved May 2010 (SDPWO) and October 2010 (EPBC)
- QCLNG (June 2008) approved June 2010 (SDPWO) and October 2010 (EPBC)
- APLNG (March 2009) approved November 2010 (SDPWO) and February 2011 (EPBC)
- Arrow LNG Plant (May 2009) approved September 2013 (SDPWO) and December 2013 (EPBC) – Not proceeding

Introduction

Arrows gasfields and pipelines

- Arrow Surat Gas Project (January 2010) approved October 2013 (EP) and December 2013 (EPBC)
- Arrow Surat Pipeline (December 2008) approved January 2010 (EP)
- Arrow Bowen Gas Project (April 2012) approved September 2014 (EP) and October 2014 (EPBC)
- Arrow Bowen Pipeline (February 2011) (approved March 2013 (EP) and October 2014 (EPBC)

Scale of Activity

QCLNG example:

- Wells – 6,000 approved – currently >2,000
- Compressions plants – 9 planned – currently 4 constructed
- 2 large water treatment plants (80-100ML/day
- Export Pipeline 540km (48 inch diameter)
- LNG Plant – 3 trains up to 12 Mt/yr of LNG – currently 2 trains built
- >2,000 landholder agreements in place

Levels of Approvals

EIS:

- Environmental Protection and Biodiversity Conservation Act (1999)
- State Development and Public Works Organisation Act (1971)

Secondary approvals:

- Environmental Authorities (11EAs for QGC)
- Multiple and overlapping management plans
- Development Approvals (Gladstone, Chinchilla, Miles)
- Strategic Cropping Land
- Waterway barrier works
- Vegetation clearing permits
- Beneficial reuse permits

Approvals Challenges

- New industry at this scale and first LNG plants in Queensland
- EIS approvals without knowing where infrastructure would be placed?
- Commercially driven timelines
- Missing legislation (eg overlapping resource tenures, water management)
- Competition for resources – Perfect Storm
- Inconsistent approaches from proponents
- Quantity and complexity of conditions
- Evolving legislation

1500 conditions from EIS
8000 conditions from 900 permits

Evolving legislation

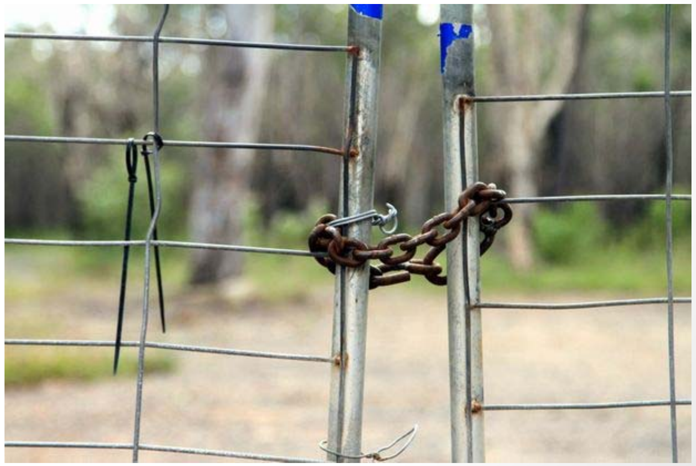
- No ‘evaporation ponds’
- Water trigger – MNES
- Offsets Policies (drafts)
- Strategic Cropping Land to Regional Planning Interests Act
- Environmentally Sensitive Area definitions - creep
- Financial Assurance
- Greentape reduction
- Protected plant delisting(s)

Interpretation of new legislation

Current Status

- Significant reduction in 'green tape' – examples
  - EAs - Eligibility criteria and related Standard Conditions
  - EIS triggers (eg 300km pipeline, 2,000ha disturbance)
  - Simplified EA amendment application process
  - Bilateral agreement on EIS assessment process (not approval process)
- Offsets Act (Qld) - not aligned with Commonwealth

- LNG being exported
- Focus on costs
- Gasfield expansion projects



Lessons to be learnt

- Earlier industry engagement with regulators on key issues to:
  - Prepare suitable legislative framework
  - Focus on key issues
  - Bring them along
  - Avoid duplication (State/Fed)
- Allow time for detailed conditions reviews by multi-skilled team (inc. field experienced)
- Better planning - prediction/estimation of environmental resources and budgets
- Earlier industry wide cooperation – technical
- Next in line will find it easier