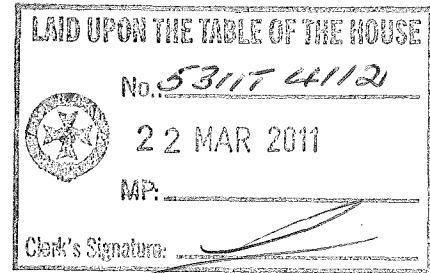


**LIZ CUNNINGHAM MP**  
 Independent  
 Member for Gladstone

Phone (07) 4978 4650  
 Toll Free 1800 810 547  
 Fax (07) 4978 4459

Hon. John Mickel MP.,  
 Speaker,  
 Queensland Parliament,  
 Parliament House,  
 BRISBANE. QLD. 4000.



November 25<sup>th</sup>, 2010.

Dear Mr. Speaker,

On 2<sup>nd</sup> September, 2010 I asked a Question on Notice of the Minister for Infrastructure and Planning in relation to the conditions applied by the Coordinator General relating to LNG shipping compliance with the Society of International Gas Terminal and Tanker Operator (SIGTTO) guidelines.

The Minister replied on 4<sup>th</sup> October, 2010.

Mr. Paul Tooker, a constituent in my electorate, had requested I seek clarification relating to compliance and I forwarded a copy of the Minister's reply to Mr. Tooker. Paul has since replied claiming that the Minister has misled parliament in his reply. While I am not well acquainted with the SIGTTO guidelines (and therefore the accuracy of the Minister's reply) Mr. Tooker is very familiar with the documentation. I have great respect for my constituent's concerns and on that basis, in accordance with standing orders, I am referring this matter to you for your consideration.

A copy of my question, the Minister's reply and the assertions made by Mr. Tooker are attached and I would seek your investigation of the allegation that the Minister for Infrastructure and Planning, Hon. Stirling Hinchliffe has misled Parliament in his reply.

I look forward to your advice.

Kind regards,

*Liz Cunningham*  
 Liz Cunningham  
 Member for Gladstone.

## Question on Notice

No. 1684

Asked on 2 September 2010

**MRS CUNNINGHAM** asked the Minister for Infrastructure and Planning  
(**MR HINCHLIFFE**)

### QUESTION:

With reference to approvals of LNG on Curtis Island by the Coordinator-General, does the approval breach any of the SIGTTO LNG Terminal Siting Standards?

### ANSWER:

I thank the Member for Gladstone for her question.

The liquefied natural gas (LNG) industry has earned an enviable reputation for safety in a half century of commercial operations. A combination of factors lie behind this record, including extensive training for construction and operational personnel, a thorough understanding of the risks associated with LNG, proven safety systems and strict adherence to standards, codes and regulations. Observing the industry best practices helps to preserve safety, public confidence, the industry, energy security, and the economy.

The LNG proponents are not in breach of Society of International Gas Terminal and Tanker Operator (SIGTTO) guidelines for LNG site selection.

The design, location, layout, materials, equipment fabrication, construction, staff training and daily operation of LNG plants proposed for Gladstone are governed by national and international standards. The Society of International Gas Tanker and Terminal Operators (SIGTTO) develops international standards for the safe loading and transport of liquefied natural gas around the world. In all these matters, it draws heavily on the experience of member companies, such as the BG Group, owner of the Queensland Gas Company, which is the proponent for the Queensland Curtis LNG project. It should be noted that SIGTTO is an industry organisation made up of LNG companies, LNG ship owners and related companies representing the LNG industry.

Engineering standards used for the proposed LNG facilities were developed by taking into account risk and impacts from deliberate harm. International safety and security standards have also been utilised and are represented in materials of construction safety devices and the range of security and safety plans that must be developed to obtain relevant government approvals.

Proponents have engaged independent third party experts to undertake risk assessments for the LNG Facility, the loading of LNG onto carriers and shipping activities. These risk assessments have been reviewed by the Gladstone Regional Harbour Master, Gladstone Ports Corporation and the Queensland Government's Hazardous Industries and Chemicals Branch.

The Harbour Master is a key link in the chain of safety management of shipping in Gladstone Harbour. He has been involved in extensive shipping movement simulation exercises in the United Kingdom to prepare for setting shipping protocols and planning for contingencies.

The BG Group has confirmed that all of its ships will strictly comply with the Great Barrier Reef Marine Park Authority's approved shipping routes and it will participate in the Australian Maritime Safety Authorities ship surveillance system.

The government, along with LNG proponents, is committed to ensuring that LNG operations do not pose an unnecessary risk to local communities.

**Gladstone Electorate Office**

**From:** paul tooker [tookerp@hotmail.com]  
**Sent:** Friday, 5 November 2010 10:12 AM  
**To:** Gladstone Electorate Office  
**Cc:** Kieran Moran; Ken O'Dowd; John McCarthy; SEAN PARNELL; Matt Chambers; Daryl Passmore; SIXTY (60) MINUTES; Four Corners; Peter McCutcheon; ABC Kylie Batholomew; Drew Hutton; Capricorn Conservation Council; QUEENSLAND GREENS; Jo-Anne BRAGG; PETER NEILSEN  
**Subject:** LNG: MINISTER MISLEADING PARLIAMENT?/ BREACHES OF LNG SIGTTO SAFETY GUIDELINES



Dear Mrs Cunningham

Further to my letter of 27<sup>th</sup> October 2010 (copy below) I now draw your attention to the article headed "LNG opponent battles for world safety standards to be applied" on page 6 of the Gladstone Observer dated 5<sup>th</sup> November 2010.

You will note in this article that although the LNG proponents supplied comment, none of them stated unequivocally that they are complying with all of the safety guidelines established by the Society of International Gas Tanker and Terminal Operators (SIGTTO).

It seems reasonable to conclude that this is because they are breaching the international safety guidelines by siting their LNG plants on Curtis Island and bringing LNG shipping into the long, narrow and shallow shipping channels in the Port of Gladstone.

I believe that at least one of the LNG proponents is breaching its own company policy by not complying with the SIGTTO safety guidelines.

It does not seem to have occurred to any of the LNG proponents, or the Queensland Government, that the LNG safety record (such as it is – it does have some notable blemishes!) is due to compliance with the SIGTTO safety guidelines.

I am sure that the average person in the street will appreciate that the most likely outcome of the LNG proponents (and the Queensland Government) knowingly breaching the SIGTTO safety guidelines will be an increase in the risk profile for Gladstone i.e. an LNG catastrophe becomes more likely.

The above makes the Minister's response (to your Question on Notice) that SIGTTO safety guidelines are not being breached, even more reprehensible. Not only is a duly elected member of the Queensland Parliament being misled by a Minister in that parliament, but the people of Gladstone generally are being misled.

I respectfully request that you include the above points in your follow up to my letter dated 27<sup>th</sup> October 2010.

I look forward to hearing from you.

Yours faithfully,

Paul Tooker



18 Auckland Street  
GLADSTONE Q 4680

27<sup>th</sup> October 2010

Hon Liz Cunningham MP  
 PO Box 1592  
 GLADSTONE Q 4680

Dear Mrs Cunningham

**Re: ANSWER TO QUESTION ON NOTICE NO. 1684 – APPARENT SUPPLY OF WRONG AND/ OR MISLEADING INFORMATION BY THE MINISTER FOR INFRASTRUCTURE AND PLANNING TO THE MEMBER FOR GLADSTONE**

I refer to your letter dated 22<sup>nd</sup> October 2010 covering the Minister's response to your question "With reference to approvals of LNG on Curtis Island by the Coordinator-General, does the approval breach any of the SIGTTO LNG Terminal Siting Standards?"

The Minister states in his response:

**"The LNG proponents are not in breach of Society of International Gas Terminal and Tanker Operator (SIGTTO) guidelines for LNG site selection."**

The Minister's response appears to be wrong and/ or misleading.

The SIGTTO Guidelines to which the Minister refers are set out below, and a number of apparently more obvious breaches are identified (there may be more):

***SIGTTO LNG Terminal Siting Standards***

<http://www.lngtss.org/standards.html>

***These standards state:***

- 1. There is no acceptable probability for a catastrophic LNG release [<sup>1</sup>];***

***BREACH:*** The Minister is aware, or should be aware, that QCLNG has advised in writing that QCLNG has applied risk criteria to achieve "broadly acceptable" or "acceptable" probability. This would seem to confirm that SIGTTO Standards are being breached.

- 2. LNG ports must be located where LNG vapors from a spill or release cannot affect civilians [<sup>2</sup>];***

***BREACH:*** The Curtis Island plants only have an exclusion zone of approx. 200 - 250 metres; recreational vessels and other civilian shipping will therefore be close enough to be affected by LNG vapors from a spill or release. The Minister is also aware, or should be aware, that one of the LNG proponents has reported that: "The consequence of the largest possible spill, a ship cargo tank rupture, has been calculated by Lloyds, using Gladstone environmental conditions, at 1892m."

- 3. LNG ship berths must be far from the ship transit fairway;***
  - a. To prevent collision or allision [<sup>3</sup>] from other vessels;***
  - b. To prevent surging and ranging along the LNG pier and jetty that may cause the berthed ship to break its moorings and/or LNG connection;***
  - c. Since all other vessels must be considered an ignition source;***
- 4. LNG ports must be located where they do not conflict with other waterway uses [<sup>4</sup>] – now and into the future. [This requires long-range planning for the entire port area prior to committing to a terminal location];***
- 5. Long, narrow inland waterways are to be avoided, due to greater navigation risk;***

***BREACH:*** although there is no standard definition of "long narrow inland waterways", the Minister is aware, or should be aware, that the Gladstone Shipping

channel is long (QCLNG advise in writing that it is approximately 23.5 nautical miles/ 46.85 kilometres to the QCLNG jetty) and narrow (approximately 180 metres wide in main channel) and surrounded by land for much of its length.

**6. *Waterways containing navigation hazards are to be avoided as LNG ports;***

***BREACH:*** The Minister is aware, or should be aware, that there are numerous navigation hazards in the Port of Gladstone waterways including other vessels, sandbars, narrow navigable channel, shallow navigable channel, close proximity of volatile products to the shipping channel, regular failure of shipping to observe the safe separation times between vessels, etc. etc. The Minister is aware, or should be aware, that a large number (approx. 40 pages) of the risks and hazards associated with shipping activities in the Port of Gladstone have been identified in an AMSA/ MSQ sponsored document "Ports and Waterways Safety Assessment Workshop Report for the Port of Gladstone" 28 – 29 July 2009.

- 7. *LNG ports must not be located on the outside curve in the waterway, since other transiting vessels would at some time during their transits be headed directly at the berthed LNG ship;***
- 8. *Human error potential always exists, so it must be taken into consideration when selecting and designing an LNG port.***

Notwithstanding the expert advice available to the Minister, it is still to be hoped that the apparent supply of wrong and/ or misleading information by the Minister is due to mistaken belief or incompetence rather than being deliberate.

I should be grateful if you could advise on what action can be taken to (a) address the issue of the Minister supplying apparently wrong and/ or misleading information to a duly elected member of the Queensland parliament, and (b) assess the impact of the SIGTTO breaches on the Coordinator-General's apparently flawed approval of these LNG projects.

I look forward to hearing from you.

Yours faithfully

Paul Tooker



**HON JOHN MICKEL MP**  
**SPEAKER OF THE LEGISLATIVE ASSEMBLY OF QUEENSLAND**

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16 DEC 2010

Mrs Liz Cunningham MP  
Member for Gladstone  
PO Box 1592  
GLADSTONE QLD 4680

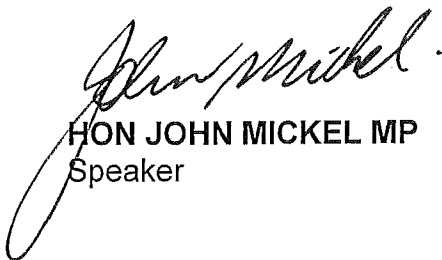
Dear Mrs Cunningham

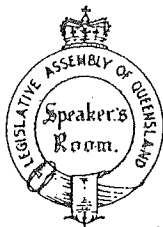
I acknowledge your correspondence dated 25 November 2010 regarding a response to a Question on Notice by Hon Stirling Hinchliffe MP, Minister for Infrastructure and Planning.

In accordance with Standing Order 269(5), I am seeking further information from the member prior to determining whether to refer the matter to the Integrity, Ethics and Parliamentary Privileges Committee.

Should you have any queries regarding this matter, or require further information, please contact Joe Begley (email: [Joe.Begley@parliament.qld.gov.au](mailto:Joe.Begley@parliament.qld.gov.au); telephone: 3406 7170).

Yours sincerely

  
**HON JOHN MICKEL MP**  
Speaker



**HON JOHN MICKEL MP**  
**SPEAKER OF THE LEGISLATIVE ASSEMBLY OF QUEENSLAND**

---

17 DEC 2010

Hon Stirling Hinchliffe MP  
Minister for Infrastructure and Planning  
PO Box 15009  
CITY EAST QLD 4002

Dear Minister

I have received correspondence from Mrs Liz Cunningham MP, Member for Gladstone, relating to an answer to Question on Notice No. 1684.

The member alleges that you have misled the House by your statement "The LNG proponents are not in breach of Society of International Gas Terminal and Tanker Operations (SIGTTO) guidelines for LNG site selection".

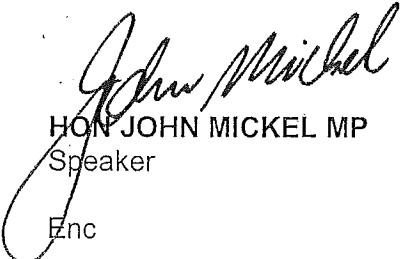
Standing Order 269(5), allows that in relation to the procedures for raising and considering complaints, the Speaker may request information from the member the subject of the complaint. Accordingly, I am seeking further information from you, regarding this complaint, prior to determining whether or not to refer the matter to the Integrity, Ethics and Parliamentary Privileges Committee (IEPPC).

In connection with this matter, I **enclose** a copy of the member's letter.

To assist me in determining whether or not to refer the matter to the IEPPC, I invite you to provide a written submission providing any evidence or information which you believe is relevant to this matter by 31 January 2011.

Should you have any queries regarding this matter, or require further information, please contact Joe Begley (email: [Joe.Begley@parliament.qld.gov.au](mailto:Joe.Begley@parliament.qld.gov.au); telephone: 3406 7170).

Yours sincerely

  
HON JOHN MICKEL MP  
Speaker

Enc





Hon Stirling Hinchliffe MP  
Member for Stafford



Queensland  
Government

Minister for Infrastructure and Planning

Our ref: MC10/1140

14 FEB 2011

The Honourable John Mickel MP  
Speaker of the Legislative Assembly of Queensland  
Parliament House  
George Street  
Brisbane QLD 4000

Dear Mr Speaker

Thank you for your letter of 17 December 2010 enclosing a letter from Mrs Liz Cunningham MP, Member for Gladstone, raising concerns on behalf of her constituent, Mr Paul Tooker, that I misled the House on 4 October 2010 through my response to Question on Notice No. 1684. I understand Mr Tooker believes my statement "The LNG proponents are not in breach of Society of International Gas Terminal and Tanker Operator (SIGTTO) guidelines for LNG site selection" appears to be wrong and/or misleading. I appreciate the opportunity to refute this claim.

For your information, Mr Tooker wrote to the Honourable Anna Bligh MP, Premier and Minister for the Arts, on 25 April 2010 accusing one of the proponents of the proposed liquefied natural gas (LNG) projects, the Queensland Gas Company (QGC), of supplying misleading information to a duly elected member of the Queensland Parliament. On 11 January 2010, Mr Tooker wrote to the Honourable Andrew Fraser MP, Treasurer and Minister for Employment and Economic Development, accusing him of supplying incorrect information about LNG projects. I am well aware of Mr Tooker's concern about the LNG industry locating to Gladstone from the over 50 letters on various issues I have received from him.

Mr Tooker's initial information requests, and the letter of 27 October 2010 inferring I was misleading in my response to the House, pertained to the SIGTTO guideline for LNG site selection, the full name of which is the SIGTTO Information Paper No 14 – "Site Selection and Design for LNG Ports and Jetties" (Guidelines for LNG Site Selection).

In his email to Mrs Cunningham on 5 November 2010, Mr Tooker has expanded his assertions to cover all safety guidelines established by SIGTTO. Furthermore, Mr Tooker has indicated that he has concluded that LNG proponents are in breach of the guidelines established by SIGTTO because the LNG proponents did not state unequivocally that they are complying with all of the safety guidelines in response to an article in the *Gladstone Observer* on 5 November 2010.

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ABN 65 959 415 158

I provide the following information about SIGTTO for your background information. SIGTTO was established in 1979 and its members have interests in 81 out of 94 conventional LNG terminals and all unconventional (i.e. floating and offshore) terminals around the world. The organisation was formed to promote high operating standards and best practices in gas tankers and terminals throughout the world. It provides technical advice and support to its members and represents their collective interests in technical and operational matters. It has published over 50 books, recommendations and guidelines with an average production or update of two per year.

The information contained within SIGTTO guidelines and papers is very detailed and based upon direct input by owners and operators who have a vested interest in the success of the LNG industry. The majority of SIGTTO guidelines and papers must be purchased through the organisation's website or specialist book sellers. There are no official copies of SIGTTO publications freely available.

All LNG proponents with projects in Gladstone are involved with SIGTTO. QGC's parent company, the BG Group is an active participant in SIGTTO and the head of BG's LNG Services is the current President of SIGTTO. ConocoPhillips, partner with Origin Energy in the Australia Pacific LNG project, is also a member of SIGTTO as are Santos' partners Korea Gas and PETRONAS and Shell, which are also proposing a LNG facility on Curtis Island. These proponents have utilised a wide variety of SIGTTO guidelines in the development of both their LNG facilities and shipping operations.

Mr Tooker has based his comments about my response to the House on information from an American website called "LNG Terminal Siting Standards Organisation". This is not the official SIGTTO website nor does this organisation have an association with SIGTTO. The organisation advocates for governments to require the existing SIGTTO LNG terminal siting standards to be set as the minimum threshold for local, State/province, and Federal application consideration.

The website only provides an abbreviated summary of one SIGTTO standard, the Guidelines for LNG site selection. The summary does not accurately reflect the full content of the guidelines. The website itself acknowledges that additional items exist in the standard. As this site does not provide the complete SIGTTO guideline, nor acknowledge the existence of other SIGTTO standards, the legitimacy of this site could be reasonably questioned. Whilst I acknowledge and respect Mrs Cunningham's faith in her constituent, I do dispute Mr Tooker's detailed knowledge of the content and application of SIGTTO guidelines as they relate to the siting of LNG facilities on Curtis Island when that knowledge appears to be based upon a website which is not affiliated with SIGTTO, does not contain a full copy of the guidelines and fails to recognise that there are multiple standards.

In 2007, the Department of Infrastructure and Planning commissioned a LNG site selection study report from Connell Wagner to identify and rank sites within the Port of Gladstone that could support plant and associated infrastructure to form a LNG precinct. At part 3.4 of the report, Connell Wagner addressed the Guidelines for LNG site selection. The report provides that the Appendix of the Guidelines for LNG site selection outlines matters considered essential for consideration as part of the risk minimisation approach. The Guidelines contain a number of recommendations which are flagged as basic guides to prompt special enquiry into particular aspects of the proposed operation, noting that the actual figures quoted together with their risk reduction effect still depend on local conditions which have to be covered individually by the operator and port.

Connell Wagner's report notes that not all factors in the Guidelines are to be adopted as stated, but are to be included for consideration in a risk assessment at the appropriate pre-feasibility and/or feasibility stage of the development. Accordingly, risk minimisation in consideration of local conditions is also determinative when assessing compliance with SIGTTO standards.

In my view, Mr Tooker's application and interpretation of the guidelines is misguided.

Maritime Safety Queensland (MSQ) has worked with LNG proponents to address plant access considerations utilising the SIGTTO publication, "LNG Operations in Port Areas" which is more appropriate to transit and anchorage in Gladstone Harbour than the guideline on LNG site selection alone.

SIGTTO is one of many affiliated international maritime organisations, such as the Oil Companies International Marine Forum (OCIMF), International Maritime Organisation (IMO) and the World Association for Waterborne Transport Infrastructure originally known as the Permanent International Association of Navigation Congresses (PIANC), which promulgate design and safety standards and guidelines for shipping, ports and industry. These organisations also research and develop acceptable alternative design solutions, such as the International Safety Management Code, which deliver the same safety outcomes as SIGTTO guidelines.

MSQ has requested proponents to have Lloyd's Register review the proposed shipping and terminal siting arrangements to provide additional assurance that all relevant and necessary international safety strategies are incorporated into the proposed LNG developments at Gladstone. QGC is the first of the LNG proponents to complete this requirement. Lloyd's Register requested two clarifications with regards to the channel design and turning basin width. With the exceptions of these clarifications, Lloyd's Register states the QCLNG project is in compliance with recommendations of SIGTTO, OCIMF and PIANC.

I stand by my statement to Parliament, "The LNG proponents are not in breach of Society of International Gas Terminal and Tanker Operator (SIGTTO) guidelines for LNG site selection". The LNG proponents and MSQ have indicated that the LNG proponents projects are in compliance with recommendations of SIGTTO. Lloyd's Register has also been tasked with ensuring compliance with SIGTTO recommendations and the first project assessed has been approved as compliant. Additionally, through the assistance of MSQ, co-operation between proponents, and the Western Basin Dredging and Disposal project, shipping operations also comply with SIGTTO's "LNG Operations in Port Areas" and other international safety guidelines and standards.

As stated, Mr Tooker has generated a great deal of correspondence with the Department of Infrastructure and Planning, Department of Employment, Economic Development and Innovation, Department of the Premier and Cabinet, Department of Transport and Main Roads, Department of Environment and Resource Management, Ministers of the Queensland Parliament, Federal Government Ministers, elected Parliamentary members and conservation organisations; many pieces of this correspondence have accused LNG proponents, Ministers and the Gladstone Ports Corporation of providing misleading information. QGC has previously offered to meet with Mr Tooker to discuss his safety concerns, however he has declined.

A considerable amount of time and public resources have been spent in responding to Mr Tooker's LNG correspondence. Other issues raised by Mr Tooker include, proposed industry development in and around Gladstone, air pollutants and air quality in the Gladstone region as a result of industries, dust particles, terrorism threats, approval processes, environmental issues, State Development Areas, Curtis Island and the Environmental Management Precinct. The responses from the various State agencies attempt to respond to the issues raised by Mr Tooker but invariably such responses are never to the satisfaction of Mr Tooker and further correspondence follows re-iterating the same issues.

I trust this information is of assistance. If you require any further information, please contact Dr Geoff Dickie, Deputy Coordinator-General, Project Assessment and Attraction Group, Department of Infrastructure and Planning, on 3224 6944 who will be pleased to assist.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Stirling Hinchliffe', written in a cursive style.

**Stirling Hinchliffe MP**  
**Minister for Infrastructure and Planning**