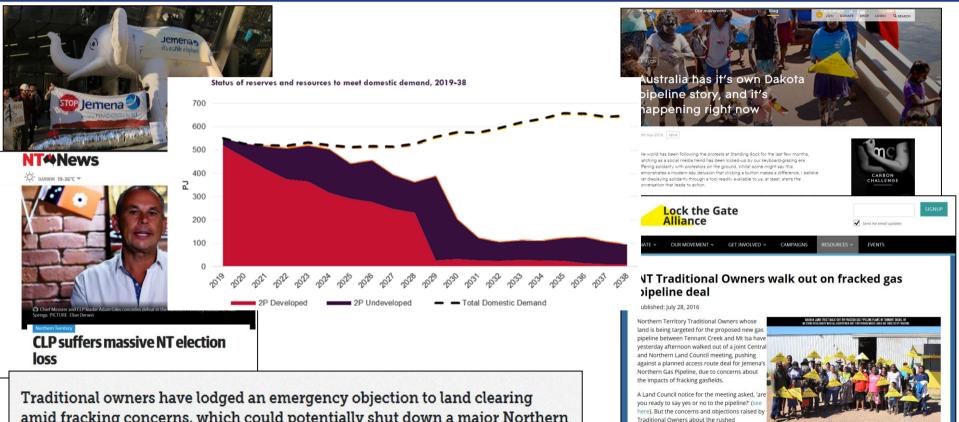
The Northern Gas Pipeline Building a Social Licence

Jonathan Spink General Manager – Major Projects IPLOCA 2019



#### The Australian Gas Environment



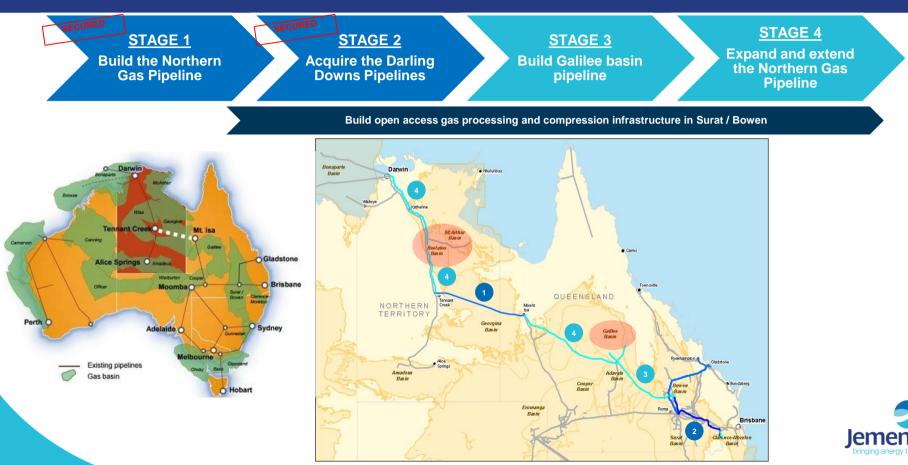
amid fracking concerns, which could potentially shut down a major Northern Territory gas pipeline project.

pipeline's reliance on fracked gas has now meant the decision meeting is postponed until late September.

consultation process and the proposed

A presentation by pipeline hopeful Jemena, jointly owned by the Singapore and Chinese government, claimed no fracked gas would be needed to undernin the pipeline's economic viability. This was challenged by Traditional

# Jemena's Northern Growth Strategy



### The Northern Gas Pipeline - unlocking new gas supply

#### Key Project Details:

- Project value \$800 million
- 622km of 12 inch pipe carrying
  90TJ/d (33PJ/year)
- Cryogenic nitrogen removal unit at Tennant Creek to process NT gas to Australian standard
- Officially opened Dec 2018



#### Geographical and labour force challenges

Remote Australia 65% Aboriginal population Low levels of employment Low levels of education & skills

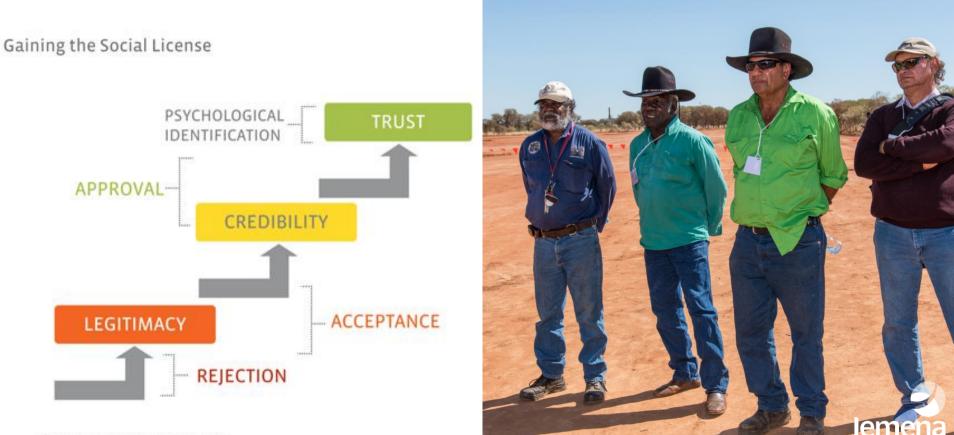
> WELCOME TO NATURE TERRITORY the NORTHERN TERRITORY of AUSTRALIA

Port and a second secon

|     | Population  | 6,700<br>(65% Aboriginal)         |
|-----|-------------|-----------------------------------|
|     | Job seekers | 1,200<br>95% Aboriginal, of which |
| in. |             | 95% are unskilled                 |

Barkly Region Labour Profile

# The criticality of gaining trust



#### Practical and real initiatives to maximise local involvement

**Over \$5 million invested** 

### **Jemena's Industry Participation Plan**

Jobs and Training Portal Project Ready Training Program

Tennant Creek Social Employment Project Gas Operator Training Program

Business Investment Fund

lemena

#### **Regional Employment Plan**

## **Project Ready Training Program**

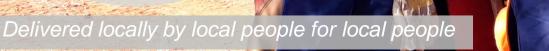
A 12 week, live-in training program focussed on delivering skills to local Aboriginal people to ensure they were project ready.

#### 44 local graduates

- 30 in Camooweal
- 14 in Tennant Creek

#### Myuma Spinifex program

- 16-week live-in training
- Further 14 graduates





#### Tennant Creek Social Employment Project



A program designed to get people who would be otherwise unable to do so working on the project.

 Nine (9) local Aboriginal people employed

Jemena

- 37,000 sawdust bags
  manufactured
  - 12 week program

### Gas Operator Apprenticeship Program



Two local Aboriginal graduates from the Gas Operator Training Program joined Jemena as apprentices

- Three (3) year apprenticeship
- Certificate 4 in Gas Supply Industry Operations

Delivered locally by local people for local people

# Direct Economic Outcomes Summary

|                      | IPP Target | Actuals |
|----------------------|------------|---------|
| NT jobs              | 423        | 389     |
| Regional jobs        | 295        | 397     |
| Aboriginal jobs      | 111        | 269     |
|                      |            |         |
| NT contracts         | 89         | 168     |
| Regional contracts   | 58         | 150     |
| Aboriginal contracts | 36         | 28      |

#### Spend in NT and QLD = \$153m

- NT spend = \$43m
- Barkly Region spend = \$15m
- QLD spend = \$110m
- Mount Isa Region spend = \$13m
- Aboriginal businesses = \$18m



# NGP Sponsorship Program

#### Community and Culture

- Imparja Cup (Tennant Creek)
- Desert Harmony Festival
- Tennant Creek Christmas Tree
- Barkly AFL (Umpires)
- Bushfires NT Volunteer Brigade



# Health and Wellbeing

- Barkly State Emergency Service
- Royal Flying Doctor Service
- LifeFlight
- Anyinginyi Health Aboriginal Corporation
- Tennant Creek Women's Refuge



#### Education

- Stars Foundation
- Camooweal School
- Camooweal Police Positive Energy Exchange



Significant financial and in-kind support to the communities in which we operate



## **Project Timeline Achieved**

Licenses & •Project awarded: Construction Commercial environmental •Project Team established: 17 November commenced: mid Operation: approvals November 2014 2015 completed: early May 2017 January 2019 May 2017 CATERPILLAR **Pipeline Licences granted: 2** Major environmental approvals: 3 **Indigenous Land Use Agreements: 9** Aboriginal Land Rights Act Agreements: 2 Jemena Land agreements: 57

# Current Socio-political Environment



WITH the final construction of the Northern Gas Pipeline between Tennant Creek and Mt Isa in Queensland we are now seeing why it was required.

Jemena's announcement it had signed Santos to a gas transport agreement means that before any product is even pumped 80 per cent of the daily available pipeline capacity has been sold. The Santos gas will be used by the Queensland mining and processing sector.

The deal to build the \$800 million 622km NGP was completed by the Giles Government after an exhaustive tender process. Underpinning the pipeline is excess gas paid for by the Territory taxpayer and sourced via Blacktip.

The addition of Santos merely confirms the NGP was a required piece of infrastructure from the outset.

During construction Jemena employed hundreds of Territorians and set a corporate standard the public should demand of the others who enter the onshore market. It ensured Territory businesses not only won tenders but it helped them improve their corporate structures to meet the requirements of tier one companies.

If there is to be a tragedy in all this it comes in the form of Australia's manufacturing industry.

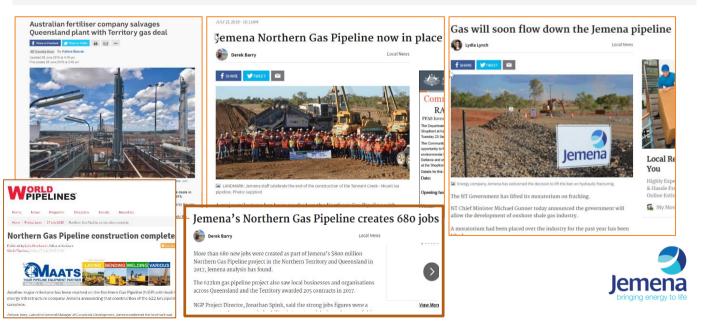
We all know the Territory has a lot of natural resources and gas is one. It is a shame that the Territory will be helping Queensland industry thrive and grow.

Surely having a factory or manufacturing plant closer to an energy source is smarter than transporting it halfway around Australia.

Let's hope the realisation of our value as an industrial destination with cheap energy occurs soon. During construction Jemena employed hundreds of Territorians and **set a corporate standard the public should demand of the others** who enter the onshore market.

It ensured Territory businesses not only won tenders but it helped them improve their corporate structures to meet the requirements of tier one companies.

NT News editorial 22 September 2018



#### Social Licence – Jemena's investment in the local community



#### **Key Learnings**

- Talk is cheap demonstrated commitment to delivering real local benefits is critical
- Early and frequent engagement builds relationships, trust and understanding of needs
- Local content requirements must be cascaded through the supply chain
- Delivering robust local content requires commitment, personnel and programs such as capacity building

Delivering and exceeding the IPP was a key deliverable for Jemena – critical, not just to project delivery, but for long term pipeline operation and reputation.

