



Local Content Report

APPEA

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About APPEA

The Australian Petroleum Production & Exploration Association (APPEA) is the national peak body representing Australia's upstream oil and gas explorers and producers. Its purpose is to be the effective voice of the oil and gas industry on the issues that matter, working collaboratively with industry, government, and the community to achieve shared goals.

APPEA members account for nearly all of Australia's petroleum production.

APPEA also represents about 140 associate member companies that provide a wide range of goods and services to the upstream oil and gas industry.

APPEA is forward-looking and outcomes focused, aiming to raise awareness of the economic, environmental, and social benefits of the oil and gas industry across Australia.

Acknowledgement

The Australian Petroleum Production & Exploration Association (APPEA) acknowledges the Traditional Custodians of Country throughout Australia and their knowledge in caring for land, sea, and community. We pay our respect to their Elders; past, present, and emerging.

COVER IMAGE COURTESY CHEVRON

Industry overview

Australia's oil and gas industry is committed to maximising the benefits of all our local operations. We aim to build sustainable communities by creating local jobs, supporting local businesses and providing opportunities to regional and Indigenous Australian workers.

Not only does the industry deliver reliable energy to power our homes, hospitals, mines and manufacturers; Australian oil and gas creates enduring benefits to local communities and drives the nation's economic future.



 24%

Natural gas provides almost 24 per cent of Australia's primary energy and almost one third of all gas consumed in Australia is used by manufacturers.



80,000

Australia's oil and gas industry supports 80,000 direct and indirect jobs.

 \$5.85 billion

In 2018–19 the industry made tax payments of \$4.6 billion and has paid more than \$66 billion over the decade to 2018–19.

 \$473 billion

From 2010 to 2020, the industry invested an estimated \$473 billion into the Australian economy through new project construction and development.

Partnering with Indigenous communities, businesses and workers



The Australian oil and gas industry aims to deliver mutual and sustainable benefits in the communities in which we operate. Indigenous communities have a unique connection and knowledge of local land, waters and environment. This connection is acknowledged and respected by the industry, which aims to create more local opportunities for Indigenous businesses, rangers, students and workers for generations to come.

Arrow Energy | Whanu Binal

Arrow Energy's Whanu Binal program is a capacity-building program for Aboriginal and Torres Strait Islander participants in Queensland.

Originally developed by Arrow to provide the knowledge and skills for individuals and businesses to work in the resources industry and its supply chain, Whanu Binal has evolved to support Indigenous business owners in the field of business and entrepreneurship.

The renewed program empowers Aboriginal and Torres Strait Islander communities to build businesses that are sustainable and pursue opportunities within their regional economies. It also enables business owners and entrepreneurs to navigate the high standards of major projects in the fields of resources and government procurement.

Whanu Binal launched in 2013 as a business program, offering mixed classroom-online traditional learning. In late 2019, Arrow sought to refresh it to meet the growing need for flexible learning through online education. This has been achieved in partnership with CQ University, with the new-look Whanu Binal launching in March 2020. It now offers:

- an expanded curriculum to support Indigenous business owners and entrepreneurs seeking to increase their business development skills while leveraging economic opportunities within their local communities
- 100 per cent online format, with access to mentoring support, online workshops and peer tuition through digital platforms such as Zoom and Microsoft Teams
- ongoing private support groups through LinkedIn and Facebook pages
- flexibility to allow participants to 'go at their own pace' and access course content on any device (laptop, smart phone, tablet) at any time of day.

Participants have the opportunity to build a professional support network through the incorporation of virtual 'yarning circles' that support both learning and development of entrepreneurial ingenuity.



Whanu Binal participants have access to:

- 18 certified business e-learning modules
- 20 virtual workshops on relevant business topics
- 20 Indigenous professionals, engaged as mentors and providing intensive support
- one virtual 'meet the buyer' and graduation event.

Wakka Wakka man, Paul Olsen (Gladstone), wants his Brolga Cranes business to be the best Indigenous crane hire business in Australia and CQUniversity and Arrow Energy are helping him achieve that dream through the Whanu Binal Indigenous Entrepreneur Program. Paul was one of 28 participants in 2020.



Partnering with Indigenous communities, businesses and workers

Woodside | Increasing the return to Indigenous peoples

Woodside has an ongoing commitment to reconciliation which is supported by a long-term outcomes measurement framework. One of the four pillars of the framework is to create opportunities which commits to increasing the return to Indigenous peoples arising from Woodside's business activity and offering development activities. Together with their vendors, Woodside has delivered a 124 per cent increase in awards to Indigenous businesses since 2016.

Woodside continues to seek opportunities to grow the number of employees, trainees and contracting opportunities in their host communities and in 2020, Woodside co-hosted The Pilbara Indigenous Business Forum alongside the Ngarluma Yindjibarndi Foundation in Roebourne. Representatives from over 25 organisations attended the forum which connected Pilbara Aboriginal businesses with Woodside and key contractor companies to share experiences and insights to remove barriers and generate additional opportunities for local Indigenous businesses to participate in the resources sector.

Origin Energy | Regional and Indigenous businesses

Origin Energy actively engages with regional and Indigenous businesses, which are predominantly small and medium businesses operating in regional Australia. In the full-year to 30 June 2021, Origin spent some \$271 million on regional procurement and around \$10 million with Indigenous businesses.

According to Liz Adams, a Group Manager at Origin Energy, "We actively seek to engage local or Indigenous businesses to supply goods and services and have had success in areas such as civil work and maintenance, security, uniforms, catering and office supplies."

Australian oil and gas companies know that consulting with, or procuring from, regional or Indigenous businesses strengthens their ties to the community.

Santos | Larrakia Rangers

In Darwin, Santos has employed rangers from the local traditional owners, the Larrakia People, to support the annual environmental health monitoring of the mangrove vegetation surrounding the Darwin LNG gas plant. The Larrakia Rangers' local knowledge of the region is crucial in supporting the environmental consultants.

During the most recent surveys, undertaken over a four to five-day period, the Larrakia Rangers completed all photo monitoring to greatly improve the accuracy in relocation of photo-points for future annual monitoring. They also assisted with collection of native sea snails from the mangroves for environmental testing. Monitoring results have consistently confirmed the mangrove community to be in very good health.



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Local employment



By investing in local jobs and opportunities, Australia's oil and gas industry is providing long-term benefits for families and communities. Through this support of local economies, the industry continues to build and secure its social licence to operate.

Local projects and activities create a range of job opportunities which, in some cases, span generations of families.

ExxonMobil | Keeping it in the family

Australia's oil and gas industry proudly creates local jobs and training opportunities for communities across the country. In Victoria, generations of families are working to power the industry and drive our nation's economy.

Former Longford Plants employee, Glenn Dyer recently shared an example of three generations working to support ExxonMobil's Gippsland operations.

Glenn, who worked for over 30 years at Longford, introduced his son Darryn Dyer to the opportunities available in world of oil and gas, which led to Darryn taking up employment as an offshore operator in 2006. Darryn is now an operator on the Marlin platform.

In addition, Glenn's grandson, Michael Walsh, is now a contractor supporting platforms in Offshore Bass Strait.

"If you think about it, someone from every generation of my family has been involved in every stage of the oil and gas life cycle in the Gippsland Basin," said Glenn.

"I was part of the start-up in the early 1970s, while my son Darryn is helping to keep platforms operating today and my grandson Michael is now part of a crew working to maintain the safety of non-operating platforms."

ExxonMobil Australia Chairman, Dylan Pugh said that ExxonMobil Australia has made a significant contribution to the Australian economy and communities during the company's 125-year presence.

"With a total investment of around \$40 billion, we are a substantial investor in the Australian economy and a major contributor to the wealth of the nation," said Dylan.

"Today, our current generation of employees are still working hard to safely and reliably provide the energy Australians need.

"Over and above our significant contribution to the Australian economy over our many years of operation, we are most proud of the real and positive difference the energy we deliver from our Victorian operations continues to make to the lives and livelihoods of so many individual Australians and their families."

Origin Energy | Apprenticeships for locals in western Queensland

Origin Energy proudly offers employment and training opportunities for young people who live close to their regional Queensland operations.

In 2020, Origin employed 10 new apprentices across four facilities at Talinga, Condabri, Spring Gully and Reedy Creek in western Queensland. The six men and four women who successfully applied for the program, including several Indigenous Australians, are all from the Western Downs and Maranoa regions.

"This program is evidence of Origin investing in both our communities and the workforce of the future, and it is pleasing to see these young recruits are all locals," said Dave Atkin, General Manager for Origin.

"The mentorship, class work and nationally recognised credentials are world-class, and will be delivered in a safe and controlled environment," he said.

Dean Coonan, Safe Control of Work Authority from Origin said, "We are delighted to give these apprentices the opportunity to gain a trade qualification and develop skills that are portable within the oil and gas industry and beyond. I am impressed with the

potential of these young people and they are already making a great contribution to our industry."

The group is completing two- to five-year programs across a range of specialties as part of their training, including mechanical, instrumentation and electrical trade apprenticeships. The cohort is building not only skills, but important relationships within the business and the industry, while being active members of the local western Queensland community.

One of the recruits in Origin's intake is Stephanie Usher, 19. Stephanie, from Chinchilla, is enthusiastic about her career with Origin as an electrical and instrumentation apprentice based at Condabri. "I've worked in a number of family businesses since I was very young doing a variety of tasks. This opportunity is fantastic," said Stephanie.

"There is no limit to what you can learn and the things you can do at Origin. The only limit is the one you put on yourself. I am excited by what I've learnt so far and the opportunities ahead. My family is very proud too," she said.



MITSUI E&P
Australia

Local workers drive Waitsia

The Waitsia Stage 1 Expansion in Western Australia is run by eight operators who are local residents, and two people who fly in and out of Perth.

One of the operators, a local electrical instrument operator/maintainer, has worked for the company as a contractor for more than 12 years. He says Mitsui E&P Australia (MEPAU) is a good company to work for and recognises that there are not many places where you can work two weeks on and two weeks off yet still be home every night. He particularly enjoys the variety of work, saying that while his main electrical trade skills are important, he's also involved with many other aspects of running an operating gas plant.

The site administrator, a Dongara local since she was just six years old, worked on the Waitsia Stage 1 Expansion site as project administrator with the lead contractor, Enscope, before transitioning across to MEPAU.

She says it's unusual for a small town to have such high-quality employment opportunities. "Dongara is a really nice little coastal town. It has a good feel about it. Whenever I've been away and come back it always feels lovely to see all the big trees on the main street. I'm glad I don't have to leave home to find a good job," she says.

Senex
Energy

RomaFire and First Aid

Rick Grinsell is the 'go-to' man in Roma for fire safety and training but for his small business to thrive he relies heavily on bigger companies, like Senex Energy, who started working with RomaFire and First Aid in 2017.

Rick moved his family to Roma more than 20 years ago to start Romafire and First Aid and now runs the business with his team. "We employ local and we're at the point now of putting on two apprentices in the next six months. If we didn't have the support of businesses like Senex, that wouldn't happen," Rick said.

"Senex prefers to deal local and that is incredibly important for the local economy. The multiplier effect of every dollar makes a big difference to the local community."

He said it was more than just money into local businesses, it meant money also into the local economy because Senex also made an effort to employ locals. "The thing about Senex is they have people living here. And when you contribute to a small community, eventually you help employ a teacher and a nurse, police, a neighbouring family and so it just helps to keep the whole fabric of society together."

Woodside | Karratha Production Training Academy

In 2020, 60 new Karratha-based apprentices and trainees commenced at Woodside's Karratha Production Training Academy in Western Australia. Of these, 49 per cent were of Aboriginal and Torres Strait Islander descent and 49 per cent were women, supporting increased diversity in the industry's workforce.

Through dedicated effort by the academy, Woodside adapted or deferred training and apprentice programs in response to COVID-19; 14 operations trainees from the 2018 intake successfully transitioned to their workforce.

“The multiplier effect of every dollar makes a big difference to the local community.”



Regional suppliers



Regional communities are the backbone of Australia's oil and gas industry. Local companies are committed to sharing the positive economic benefits of local operations and enhancing regional opportunities. Creating supply, contracting and employment opportunities for regional communities is critical to ensuring a sustainable future for both the industry and the community.

Senex Energy | Atlas

In the gas fields of Senex Energy's Atlas operation near Wandoan in Queensland, local machinery, local workers, and a local contractor are doing the heavy lifting as the company prepares for the next stage to boost natural gas production.

For family-owned and operated T&W Earthmoving, based in Condamine and Roma, the contract is a big win that guarantees jobs and support for the local economy and community.

Wayne Collie, who runs the business with his brother, Tim, said Senex had a great reputation for helping create dozens of jobs in the Maranoa and Western Downs.

"At the moment with Senex, about 14 blokes are doing civil works at Atlas building access roads, camp pads and lay down areas ready for drilling. We also have sub-contractors and more than two-thirds of the guys are local or live within a four-hour drive."

Wayne said local businesses also benefited as T&W was dedicated to buying supplies locally.

"Things like fencing material we buy local. Everything we buy, we buy local so yeah, it really looks after Roma, and the Maranoa area," he said.



Senex Energy's General Manager of Surat Basin Operations, Darren Stevenson said Senex was thrilled to be working with T&W Earthmoving again.

"We really enjoy working with the local companies, we think that it is a good thing to do to spend our money locally and particularly with companies like T&W," he said.

"I travel to Wandoan and Roma quite a bit and I'm really proud that we have people living in those communities and that by awarding these contracts we are also helping local economies."

In Roma, Senex also supports local auto electricians through their partnership with Dore's Elect-Air.

Jordan Collinson said local apprentices benefitted from the work with Senex.

"It's giving myself a job, it gives our apprentices a job, and it helps give them a pathway into the trade; without companies like Senex, we probably would just be relying on the agricultural sector and it's not big enough for everybody to take a slice out of."

He said a lot of Dore's work comes from Senex and it's a mutually beneficial relationship.

"I would say probably 50 per cent of our work would probably be with Senex."

"They're a good company to deal with—the sort of company where if you do right by them, they'll do right by you and keep coming back," he said.



MITSUI E&P Australia | Waitsia Stage 1 Expansion

Local companies in Dongara, Western Australia, powered the Mitsui E&P Australia (MEPAU) recent Waitsia Stage 1 Expansion project.

The MEPAU Project Manager says local contractors have been hired to do a lot of the work, at a value of approximately \$2 million.

About 40–50 site personnel have stayed in Dongara and the lead contractor, Ensco, has rented three houses in Dongara for the duration of the Waitsia Stage 1 Expansion project.

The Dongara Medical Centre has been engaged to provide support as required and Dongara company In-situ Construction was responsible for earthworks, concreting and fencing.

In-situ Construction advised they had between 7–10 local Dongara people working on the site over several months. In-situ Construction also utilised local suppliers, who in turn employed local staff.

Geraldton company GCo Australia was responsible for the electrical and instrumentation construction upgrades. Installation of new instruments and cabling has finished and it's ready for commissioning.

Roughly 14 GCo Australia employees have been employed during the six months of construction. Although most are local to Geraldton, they have been living in Dongara during the project, staying at the Old Mill Motel.

In-situ Construction said the local focus is vital for Dongara's economy.

"The people we employ spend their money locally, whether it's buying food at the shop, going out to the pub or buying a house. MEPAU's policy of utilising local contractors means all our local businesses benefit," they say.

GCo Australia agreed, pointing out that a major contract like the Waitsia Stage 1 Expansion helps to keep local people employed, so they don't have to leave town to find work.

Cooper Energy | Supporting regional communities

Cooper Energy is a wholly Australian-based business procuring its goods and services locally. In FY20 in South Australia and Victoria alone, Cooper Energy purchased more than \$51 million in Australian goods and services from over 227 local suppliers.

Local staff and contractors support locally owned and operated businesses in regional areas, including, for example, buying groceries from Ritchie's IGA in Timboon, Port Campbell Convenience Store and Peterborough General Store and Takeaway. Cooper Energy workers often stay in local accommodation mid-week and during winter when occupancy is usually low, and accommodation providers are looking for business outside the high tourism periods. Many permanent employees live locally, with kids attending the local school (Timboon P-12 School) and families joining and supporting local community clubs, including the nearby Warrnambool Surf Life Saving Club.

Cooper Energy operations share the local community with sheep, cattle and dairy farmers and Great Ocean Road tourists. They are committed to ensuring the critical, regional Victorian economic drivers of agriculture, tourism and the energy sector all continue to complement each other in support of the local community.

LNG Jobs Taskforce

Forward Work Plans

In December 2018, Western Australian Premier Mark McGowan convened the state's first joint industry-government taskforce to work collaboratively to maximise local jobs and economic benefits from WA's LNG industry.

The LNG Jobs Taskforce is comprised of the Minister for State Development, Jobs and Trade and representatives from APPEA, UnionsWA, Woodside Energy, Chevron Australia, Shell Australia, Santos, and INPEX Australia.

The taskforce is committed to helping local and regional businesses enter the oil and gas supply chain, creating local jobs and opportunities. One initiative, Forward Work Plans, provides information about the next two years of contracting opportunities for both construction and operations. Local businesses and regional suppliers can access Forward Work Plans to see upcoming opportunities and tender for local work.

“The people we employ spend their money locally, whether it's buying food, going out to the pub or buying a house.”





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