

Minutes

Western Downs Regional Community Consultative Committee (WDRCCC)

3 March, 2015

Chinchilla Community Connections Building, Chinchilla 10:00am-1:00pm

Initial	Name	Position/Company	Attend	Apology
MEMBERS				
KB	Kylie Bourne	Chairperson	x	
CR	Craig Rutledge	Dept State Development, Infrastructure and Planning (DSDIP)		x
GS	Glenn Strandquist	Miles Chamber of Commerce	x	
BB	Bill Blake	Chinchilla Chamber Commerce and Industry (CCCI)	x	
BW	Ben Wiltshire	QLD Police Service (QPS)		x
AG	Arthur Gearon	AgForce		x
CB	Cecily Brockhurst	Murilla Community Centre	x	
DG	Doreen Goldsmid	Chinchilla Family Support Centre		x
SM	Sean Maher	Miles State High School		x
GM	Cr George Moore	Western Downs Regional Council (WDRC)	x	
CH	Cr Charlene Hall	Western Downs Regional Council (WDRC)		x
DD	Deanna Dodd	Centacare		x
JB	Rev. Jeff Balnaves	Community Representative	x	
KG	Kel Gaske	Community Representative	x	
KM	Kerry Mulholland	Community Representative	x	
SECRETARIATE and SUPPORT STAFF				
RH	Rob Hart	Origin – Regional Manager	x	
SB	Scott Bird	Origin – Regional Community Relations Manager	x	
TW	Trudi Webster	Origin – Regional Communities Advisor	x	
INVITEES and PROXIES				
MS	Maia Schweizer	Origin – Chief Development Officer	x	
MN	Melissa Nobbs	AgForce for Arthur Gearon	x	
LM	Lynne Mason	Chinchilla Family Support Centre for Doreen Goldsmid	x	
JB	John Bird	Dept State Development, Infrastructure and Planning (DSDIP) for Craig Rutledge	x	

Minutes

Item	Time	Item Description	Duration
1.	10:00am	<p>Morning tea</p> <ul style="list-style-type: none"> • Introduction to Maia Schweizer, Origin Chief Development Officer 	30 mins
2.	10:30am	<p>Meeting opened - KB</p> <ol style="list-style-type: none"> 1. Round table member introductions and Q&A with MS. <ul style="list-style-type: none"> • KM: Miles Historical Village. Tourism and development focus. Commented on Miles hotels/motels offering \$100 p/nt rate on weekends and of motels maintaining preference of industry bookings vs. tourism business. • JB: Work with Origin around building capability of local businesses in region. Concerned about what local content looks like in Operational phase. • JB: Anglican minister for local church. Commented on uncertainty in community as move into next phase. • KG: Local community representative and Origin landholder. Commented on concern around uncertainty of community sustainability and misinformation around high number of employment opportunities. • LM: Acting manager for CCCX facility and invited members to tour building post WDRCCC meeting. • MN: AgForce Regional Manager based in Roma. In attendance to listen to any concerns and deliver back to landholders. • BB: Secretary/Manager CCCI of which exists as a conduit to/from gas proponents to community and to promote the prosperity and liveability of Chinchilla. Commented on messaging Chinchilla as a diverse economy. • GM: WDRC Councillor. In attendance to listen to community concerns in relation to CSG to return to Council. Focused on Live Local/Buy Local: attraction and retention to communities. • CB: Murilla Community Centre Manager. Thanked Origin for support over past few years with funding for community projects. Commented on gap in personal and financial counselling services in region for local employees/residents. • GS: Miles Chamber of Commerce. Thanked Origin for support over past few years with support for community projects, e.g. Anzac Park. • MS: Chief Development Officer at Origin to bring to life the scope/vision for the new Integrated Gas: Development organisation brings together all of the different pieces that, together, will determine the value of new gas coming online. • Gone through big fundamental restructure to reflect changes through to sustain phase. 	15 mins

		<p>CONTINUED...</p> <ul style="list-style-type: none"> • Project specifics: <ul style="list-style-type: none"> - Continue to drill couple hundred more wells per year over the next 20-40 years. - Learnings from phase one to be implemented into new organisational structure: stronger accountability of activity including well spacing to commissioning and hand over to operations, with Access, Land and Community team to act as the initiators of relationships with landholders and communities. - Vision for the organisation is to integrate teams to increase coordination and tighten the link between community members and Origin employees who have the power to make the necessary changes. - Focused on transparency/sharing of information e.g. services/procurement/activity to provide more opportunities for local communities to be involved. <p>Q: How do you see local employees helping you do your role, e.g. FIFO versus local employees?</p> <p>A: There will always be a mix. We have to look at immediate opportunities as in what roles can be local now that are not in addition to what roles with enough local development could be local roles in 5-10 years. What are the skills/experience levels needed in the community: need to explore. We need to be really clear about what we can do locally now and in the future. The value of Origin employees is extremely high for both Origin and the community as local employees are able to relate to local challenges.</p> <p>Q: What is the time scale for the Operations/Maintenance phase?</p> <p>A: The life of field is about 40-60 years. APLNG contracts (LNG) committed for 20 years otherwise penalties apply. When looking at what activities (workforce planning etc) need to look at a 1-3 year horizon and build in enough flexibility to understand that with new tech we are able to make further determinations. We need flexibility in making those decisions: 12-18 months for our own efficiency and for local business. We should be able to be 12 months ahead at least.</p> <ol style="list-style-type: none"> 2. Apologies – As per table above 3. Resignations - Nil 4. Proxies – As per table above 	
3.	10:45am	<p>Safety moment - GS</p> <ul style="list-style-type: none"> • Educate employees on hazard identification in the workplace and how to transfer into job specific procedures. • Employee morale in the workplace is as important as supervision and planning of the job to ensure a safe working environment. 	5 mins

4.	10:50am	Confirmation of minutes from December 2014 meeting – KB <ul style="list-style-type: none"> Meeting minutes approved and accepted by all 	5 mins
5.	10:55am	Update on actions from December, 2014 meeting - KB <ul style="list-style-type: none"> Format and frequency of the WDRCCC meeting – actioned Twice yearly: March (Chinchilla) & September (Miles) Invite Sean Maher as member of WDRCCC – accepted/actioned Provide Project Update to members prior to WDRCCC meeting – actioned. 	5 mins
6.	11:00am	Project Update - SB Project Update provided to WDRCCC members in advance for reference. <ul style="list-style-type: none"> KEY MILESTONES <ul style="list-style-type: none"> - Gas is now running up the pipeline and is on Curtis Island. Expect August/early Sep all going well for gas on the boat. <p>Q: Why not sooner? A: We have always indicated mid 2015. Need to ensure that facilities commissioned effectively as want to get it right from day one to ensure facility operates at capacity all the way through 20 years. We have done majority of work in phase 1. The next 10% is hardest piece for OE, e.g. doing checks and balances to make sure we run efficiently.</p> <p>About ready to go through commissioning of the four trains as per project presentation. Major piece of construction work is over. See impact lesson particularly on the roads – less machinery on the roads etc – all on site.</p> <p>We are on a quick schedule to ensure phase 1 development wells at capacity to get gas into the pipelines as quickly as can. Essentially one well per day @ 300 per year. The biggest factor has been the price of oil driving the way we do business.</p> <p>The Board decided in interest of meeting contract obligations that we are not going to slow down. This means as one component, reduced employee headcount which is essential to ensure that we are a lean and efficient operational machine. Key message: our development plans are not changing.</p> <p>Q: Are the majority of wells in this area? A: Australia Pacific LNG owned tenures as per the Project Update presentation map are the main developments, centred about Condabri, Reedy Creek and Combabula.</p> <p>Over the next few years we will refill some of those areas, e.g. will compress and meet in the middle. At least next 2-3 years focus is on Reedy Creek and Condabri: Approx 1000 wells to be drilled over next 10 years, drilled 400 to date.</p>	30 mins

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Q: Does that mean more infrastructure, more and/or more development?

A: Work required is drilling and completions and the gathering network. Not building any more Water Treatment Facilities (WTF) or Gas Processing Facilities (GPF).

More about how we connect wells into the GPS and the pipeline. APLNG phase 1 through to March 31 but essentially continues until gas is on the boat. Focus on moving away from the language of this being another Project – there is no phase 2: Called sustain phase. Capital investment will remain: drilling 300 wells per year.

Q: Are you still flaring a bit?

A: Yes. Not at our major facilities though. Flaring at Orana which has biggest visual impact with a number of pilot wells unconnected that need to be flared. We do not have the infrastructure for these pilot wells therefore it is a necessity to flare.

- WORKFORCE (refer to attached Project Update):
 - Great to hear MS talk about local workforce. Gap for us is to look for opportunities for graduates/apprentices to get on site. We need to start thinking about how we get the next generation of workers into Origin, e.g. trades/operators.
 - 765 employees (does not include contractors) across the gasfields/pipeline/Curtis Island : approx 800 permanent workforce operating in the gasfields.

Q: Should Origin be targeting a higher than the 30% of locally based Origin employees.

A: We are challenging business to review this. FIFO will always be needed as some skill sets/experiences not found locally, and we want the best people working on the Project.

- INTEGRATED GAS NEWS (refer to attached Project Update):
 - David Baldwin to manage Integrated Gas Business with a view to concentrate on export and on/offshore production which feeds into our domestic network. MS report to David Baldwin.
 - Challenge is for Australia Pacific LNG to operate on its own steam. Idea is to bring all areas together and work towards the same outcome with same procedures to provide revenue to our shareholders.
 - Major impact to Project by recent fall in oil price: \$110 per barrel (last year on time and on budget). Currently \$45 per barrel: we are operating in a space less than 50% where originally estimated. Budgeted at \$80 per barrel to be profitable: We did not plan for drop in oil price.

		<p>CONTINUED...</p> <ul style="list-style-type: none"> - Project Crystal: look at how we can deliver savings back to business once we become operational. David Baldwin committed to Board that he will find 1 billion dollars worth of savings back to the business by 2017. A lot of contractors end date being brought forward and how roles are impacted. The business going forward needs to be lean. - Redundancies lower than 1000 media speculation: more like 30% with minimal regional impact, centred more Brisbane. <p>Q: Is Integrated Gas still to be branded as Origin. A: Yes.</p> <p>Q: Is there any talk about LNG transitioning to have its own commodity price rather than linked to an oil price? A: Formula for this unknown in this forum, however we are committed to the 20 year contracts in place with a clause that our customers can renegotiate this price however we need to be careful to remain a cost effective, competitive and efficient operation.</p> <p>Q: Has there been an overall accumulative affect with other proponents that may have slowed the transition? A: External factors are outside of our control. Our messaging has been clear of this. 6 months ago with we had 22 rigs in the field. We now have a bank of wells which we need to continue building on.</p>	
7.	11:30am	Break	15 mins
8.	11:45am	<p>Social performance update - SB</p> <ul style="list-style-type: none"> • OVERVIEW: Refer to Project Update. <ul style="list-style-type: none"> - Since last survey (in late Nov) seen a 20% community improvement in trust of Origin activity. Challenges still remain around local content – supply chain issues. Great for MS to meet with Carmen from Commerce Roma who gave strong examples of issues to MS. - Despite challenges, we cannot lose sight that we have injected 1.3 billion in the Surat Basin to date with over 500 million in the Western Downs: excludes money spent on CCA's. - Recognise the economic stimulus as part of this Project. Wilhelmena McLean (Origin, Supply Chain) to date has signed up over 1000 businesses in the region. - The challenge now is to get work for those capable/ICN registered businesses: ensure geared up ready to go for upcoming work packages. 	20 mins

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- REGIONAL BUY PROGRAM: Work in progress.
 - Allocating approx \$1 million into program. Focus on incorporating engaging with people/businesses to assist in getting them work in the Western Downs, Maranoa and Banana Shire regions. SB role to ensure accountability for local content.

Q: What is the timeframe to engage with local businesses on Regional Buy?

A: Supply chain continuing to have these conversations with more focus on making clearer links from tier 1 to tier 2 and 3. Regional Buy concept expected to roll out in April/May, however unsure if final name to be Regional Buy.

- COMMUNITY SPEND
 - Committed \$24 of the \$25 million by March 31, 2015. Signed off on \$75,000 WDR Economic Development Proposals by partnering with WDRC and CCCC's to diversify economy and add value to the community.
 - ANZAC Park: \$500,000 proposal to redevelop park drawn from Miles Chamber and community plan – expected sign off this week.
 - Miles Affordable Accommodation: \$2 million in trust for Horizon to purchase homes immediately off the open market. Horizon currently identified (3) homes: expect sign off within next (3) weeks.
 - Criteria for accommodation: Meet Horizon criteria and modelled on original plan: work in key activity in the region, living in region and meet cut off for annual/monthly salary.

- SOCIAL DEVELOPMENT
 - Completed Social Impact Assessment: Worley Parsons questioned people in region about their focuses for sustain 2015 and beyond. Response: Local jobs, local business opportunities, employment and more information about what Origin are doing to remove uncertainty by communicating information.
 - Community like engaging with Origin. We need to share new information versus rehash existing. Consistent comment: *"We don't care if it's bad news, we just want to know."*

- LOCAL WORKFORCE
 - Plans still evolving: developing a sustain phase community plan, e.g. how do we support communities to develop over time. No longer regulated through the SIMP.
 - Take sustain plan to leadership team(s) and make them accountable for delivering a local workforce, e.g. P&C. Leadership teams need to deliver on targets.
 - Communities team can still influence but not held accountable.

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Member comment: Met with Matthew Ralph regarding Indigenous Participation Plan (IPP) and recommend a local Indigenous participation plan for local contractors to direct accountability to report on?

Q: What are the benefits to communities of local versus FIFO employees? What are community/local contractor expectations regarding opportunities?

A: A need to educate people and manage expectations more effectively around nature of being competitive. We do not have a 10% local contractor weighting therefore contractors need to remain competitive in the tender process.

Q: Who is running the IPP?

A: Scott Bird with two addition Origin team members. IPP questions contractors on their plan to engage Indigenous people in their business.

Criteria for IPP: Annual turnover less than \$5 million based locally, 20 employees or less.

Member comment: Average turnover in local businesses approx \$480K, therefore little jobs make a big difference.

Response: For jobs \$500K and under and under contracts a focus on Regional Buy Program.

Q: Are sponsorships/donations moving forward outside of SIMP funding?

A: Moving through Australia Pacific LNG Board approval process at this stage. \$3 million spend next year within the social, community and Indigenous space. Significantly less spend in the community space than in previous years.

Driver behind community plan is the long term benefit of getting businesses to think further into the future: 3 years. Idea of plan expected to be approved by end of March.

- REGIONAL COMMUNITIES
 - Sponsorship/donations overview of round 4, 2014.
 - Community Sponsorship Program (CSP) will continue.
 - Caring About Road Safety (CARS) program cancelled due to decline in participation numbers and duplication of programs in the regions.
 - Community Skills Scholarship (CSS) under review with likelihood of being withdrawn. Program started as way to help local people stay local – current reduction in the market, jobs, housing costs, cost of living influencer of the decision.

		<p>CONTINUED...</p> <p>Q: Is that money then going to similar training programs? A: Reviewing external spend focused on indentifying pathways for apprentices into our business long term, e.g. year 10's onto Origin sites through work experience attached to curriculum. We need to identify gaps for programs. MS reviewing all programs with a fresh set of eyes: to challenge the status quo.</p> <p>Q: Are the bore levels dropping? A: Water monitoring bores have been installed along Condamine river to investigate levels. A few legacy issues not necessarily attributed to Origin activity. CSIRO doing work for us to understand further: approx June results advised.</p>	
9.	12:05pm	<p>Discussion - Review of 2014</p> <p>2014 focus (as per March 2014 meeting minutes) – Addressed as per above minutes.</p> <ul style="list-style-type: none"> • Local Employment • Local Procurement Opportunities • Affordable Accommodation Initiatives <p>2015 focus: Identify WDRCCC member focus areas for 2015</p> <p>Q: Is the rumour true about local workers living at Condabri camp? A: Not aware of local people living in camps. Local employees working at the Condabri field can live within one hour of the site. LOR have demobilised camps and sent approx 380 to Miles.</p> <ul style="list-style-type: none"> • Messaging consistent from beginning of Project and written in our EIS and SIMP that we will construct camps due to proximity and efficiency. Underestimated the size of workforce and camps which led to overflow accommodation in town. • As camps demobilising, community concern switched from wanting workers out of town to now wanting to fill in town accommodation. • 4 major permanent camps: Talinga, Condabri, Reedy Creek and Spring Gully. We've moved a minimal number of workers from in town accommodation into the camps. <p>Q: How can we develop and benefit from a long term partnership between Origin and our communities? A: There will always be a local employment focus and support for operations living locally. Staff on 12-hour rosters and FIFO will live onsite as committed in the EIS.</p> <ul style="list-style-type: none"> • Goal is for a long term sustainable community program: sustained growth and part of that is meeting local employment target. • Operational camps are permanent. Construction phase camps always messaged as temporary. 	25 mins

		<p>CONTINUED...</p> <p>Member comment: Origin did not ask motels and landlords to raise prices. Mostly contractors in accommodation not permanent employees.</p> <ul style="list-style-type: none"> • WDRCCC MEMBERS KEY FOCUS AREAS: 2015 <ol style="list-style-type: none"> 1. Living local – target increase 2. Local procurement – continuing to foster/encourage 3. Training and employment opportunities 4. Improved communication from Origin • RCCC minutes used to influence business decisions and sends strong message that requires response. <p>Q: Is having workers living in camps more expensive? A: FIFO is more expensive than living local employees.</p> <p>Member comments:</p> <ul style="list-style-type: none"> - Require more commitment to our community and workers who are committed to working with Origin. - Need to keep rents/house prices affordable and part of Council responsibility is to keep developers under control. Aim to make our communities more desirable. - Community needs 3-5 year plan from Origin even if generalised so businesses have time to make business decisions to ramp up/down. Improve communication. <p>SB: We have good communication channels but need to be mindful of some issues being commercially sensitive. Our messaging needs to be accurate and honest in that if we don't know the answer, we will respond as such.</p> <p>Q: Are Origin people staying in QGC camps? A: Some contractors work for various proponents therefore switch between sites.</p> <ul style="list-style-type: none"> • Key focus areas for 2015 confirmed with WDRCCC members - KB 	
10.	12:30pm	<p>Update from members:</p> <ul style="list-style-type: none"> • Miles Historical Village: CSG companies need to crank up public relations side for business. CSG stories. <p><u>ACTION:</u> Tell the CSG story.</p> <ul style="list-style-type: none"> • JB: Enjoyed meeting. • KG: Little things that count. Gas industry is becoming better perceived by locals. See companies invest into more solid infrastructure in addition to festivals/events etc. • LM: Agree on focus areas. 	15 mins

		<p>CONTINUED...</p> <ul style="list-style-type: none"> • MN: What is happening with the Hopelands soil testing/gas leakage? • SB: Gas leakage is not CSG related. EHP dealing with this. • BB: Urge Origin to use CCCI as conduit. Hosting some business education series workshops 21/22 April – business resilience. • GM: Next challenge is tourism challenge. Council agree 50/50. • GS: Farmers were more accepting of gas going to property (money tree) but now with lower price, some not as willing to engage with gas companies and not considered long term money tree. • SB raised that Origin still receiving requests from property owners to engage with Origin. • GS: Miles Chamber dinner ahead – interesting to see what comments from guest speakers about opportunities they see. • KB: thanked all for attending. <p>• Meeting closed 12:45pm.</p>	
11.	12:45pm	<p>Meeting Close</p> <ul style="list-style-type: none"> - Next meeting –Tuesday 1 September 2015 (10:00am) at the Murilla Community Centre, Miles. 	