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Australia Pacific LNG Project

Workforce and Training Strategy
LNG Facility

Workforce and Training Strategy – LNG Facility

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Workforce and Training Strategy – LNG Facility

1. Introduction

This document outlines the Australia Pacific LNG Project's (the 'Project') proposed Workforce and Training Strategy for the LNG facility in Gladstone.

The Workforce and Training Strategy describes the Project's approach to ensure cooperative strategies are in place to meet the Project's workforce demands while also working to mitigate impacts on labour availability for non-LNG business and industry. The Strategy adopts a long range outlook and targets students and existing and potential employees in the Gladstone region, including under-represented and disadvantaged groups.

Australia Pacific LNG will work closely with organisations such as Energy Skills Queensland (ESQ), Construction Skills Queensland (CSQ), Department of State Development, Infrastructure & Planning (DSDIP), Department of Education Training & Employment (DETE) and Queensland Minerals and Energy Academy (QMEA) to implement the action plan. Australia Pacific LNG will also collaborate with the wider CSG industry to support a coordinated approach to mitigating cumulative workforce and training related impacts in the Gladstone region.

2. References

Social Impact Management Plan for the LNG Facility (APLN-000-GE-N03-10714)

Stakeholder and Community Engagement Plan (APLN-000-GE-N03-D-10713)

Australia Pacific LNG Project Training Plan (25509-100-GLR-GCX-00005)

Australia Pacific LNG Project Employee Relations Management Plan (25509-100-GLR-GCX-00004)

Australia Pacific LNG Project Social Impact Management Sub-Plan (25509-100-G01-GHX-00016)

3. Workforce and Training Strategy Overview

The Australia Pacific LNG Project's Workforce and Training Strategy for the LNG Facility outlines the Project's approach to attracting and retaining workers, and to support wider workplace and training initiatives within the Gladstone Region.

The Project's workforce requirements will peak during the construction phase and the Workforce and Training Strategy is necessarily weighted toward this Phase. However, planning for a secure operations workforce has also commenced, including a traineeship program focused on ensuring a quota of operations trainees will receive sufficient on-the-job experience and training prior to the commencement of operations.

Furthermore, the Project is seeking to develop partnerships with:

- government and industry groups specialising in skills development, apprenticeships and traineeships;

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- local stakeholders such as schools and community groups to raise awareness of employment pathways; and
- the CSG industry in an attempt to streamline workforce and training related processes across the industry.

During the construction phase of the Project, the Workforce and Training Strategy will be implemented primarily by the Project's Principal Contractor and the Gladstone-based Australia Pacific LNG Community Relations and Social Performance team. Operations workforce recruitment and training, due to the specialist nature of the programs, will be managed and implemented by the ConocoPhillips Operations Management and Human Resources groups.

4. Workforce and Training Objectives

1. To ensure an adequate and timely supply of labour to the Australia Pacific LNG Project by:

- Maximising employment opportunities for locals to meet Project needs
- Developing and increasing the available pool of skilled labour in the region

2. To seek to address community workforce and training-related concerns by:

- Attracting and retaining workers while minimising impacts to local businesses
- Increasing employment, retention, and career development for local Indigenous people
- Supporting, where possible, the backfilling of non-industry related jobs

5. Australia Pacific LNG Approach

Australia Pacific LNG's approach to developing and delivering the Workforce and Training Strategy is to collaborate with relevant industry, government and community stakeholders in order to support a targeted and coordinated approach to workforce and training-related issues. In collaboration with its Principal Contractor and in accordance with the Engineering Procurement and Construction (EPC) agreement for the Project as it relates to labour procurement, a division of responsibility exists to effectively manage workforce and training needs that are directly and indirectly associated with the Project.

5.1. Principal Contractor Role

Australia Pacific LNG's Principal Contractor, Bechtel Oil, Gas and Chemicals, has the lead role in securing the construction workforce requirements for the Project. With over 30 years of experience in Australia, and specifically in Gladstone, expertise exists to establish and implement the processes and systems which will enable the delivery of training programs focused on identifying and overcoming craft shortages, maximising local content, up-skilling of existing workforce and supporting community expectations.

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Training conducted will focus on Project needs and the standards used will be applied consistently across the Project. The Principal Contractor Training Supervisor will liaise with Project Management and Supervision, as well as training, government and regulatory bodies. Consideration will be given to local training facilities in preference to non-local agencies or providers.

Subcontractor training plans will be reviewed with the requirement being that the general overview of their implementation aligns with the overall Project Training Plan.

5.2. Australia Pacific LNG Role

Recognising the constraints of the local labour market and the potential drain of labour from local business and industry in the region, a key focus of Australia Pacific LNG will be to target sectors of the community that are not currently participating in the workforce. The strategy aims to build local workforce capacity to service the Gladstone region through training and development initiatives that can provide pathways to employment in the LNG sector, as well as providing opportunities for the key worker sector, trades and professions that are not directly related to the LNG industry. The intention of this approach is to provide diversity within the labour force, and to assist with 'back-filling' positions in the broader regional workforce that have become vacant through attraction of staff to the construction workforce of LNG projects.

Australia Pacific LNG has formed alliances with Government, business and industry groups to develop and participate in partnership opportunities that will deliver sustainable employment outcomes for the region. Evaluation of specific needs for training and skills development in the region has proven a challenge for industry and government, however consolidation of knowledge, resources and an understanding of regional capacity is seen by Australia Pacific LNG as a most important step towards managing growth and delivery of sustainable outcomes.

6. Engagement Undertaken

During the Environmental Impact Statement (EIS) community consultation, key stakeholders were consulted and invited to contribute suggestions and priorities in regards to workforce and training related issues. Engagement and planning has continued in the post-EIS period, particularly during the process of finalising the Social Impact Management Plan (SIMP). Table 1 below provides a summary of the status of discussions with identified and potential partners.

Table 1 Summary of stakeholder engagement – status of discussions

Organisation	Involvement
Department of Employment Economic Development & Innovation (DEEDI)	Development of a regional capability-building program to support local business in understanding the generic contracting supply chain framework. Whilst supporting local business to build its capability to respond to any tendering opportunities, it will also assist qualified local and regional businesses to access opportunities to tender for provision of goods and services for the Project.

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Organisation	Involvement
DEEDI (Regional)	Indigenous employment programs and business development programs. Ongoing discussions on partnership opportunities and sharing of perspectives on Australia Pacific LNG approaches to Indigenous support. DEEDI remains a key advisor to Australia Pacific LNG.
Department of Education & Training (DET)	Ongoing discussions on workforce skilling opportunities and potential programs associated with the Gladstone Workforce Development Strategy (GWDS). Engaged with DET in review, feedback and finalisation of the GWDS.
Engineering Skills Queensland (ESQ)	Currently supporting the Gladstone Workforce Skilling Strategy (GWSS) through vocational visits to Australia Pacific LNG facilities in Gladstone. Discussions have commenced and an expression of interest provided to ESQ to participate as a corporate financial partner in an expanded proposal to develop the Queensland Workforce Skilling Strategy as a broader initiative to the GWSS. Partnering with ESQ is a key component of Australia Pacific LNG's strategy to fund programs targeting the employment of under-represented groups such as women, underemployed, the disabled and Indigenous Australians.
Department of Education, Employment and Workplace Relations (DEEWR)	Consultation with DEEWR remains focused at the regional level on support for Indigenous training and education. Australia Pacific LNG, DEEWR and DEEDI are working in a collaborative effort to identify partnership programs, or extension programs to Australia Pacific LNG's Aboriginal and Torres Strait Islander Community Strategy.
Education Queensland Industry Partnership (EQIP)	Negotiations with EQIP are advanced for participation in Education Queensland's schools-based traineeship and apprenticeship programs for VET programs. EQIP has provided Australia Pacific LNG with a proposal that includes support for existing EQIP programs (BITS, D2CC, GSESC and Technical College Gladstone Region) and additional support for Cert II Electro-Technology and Cert II Process Plant Operations. Negotiations and funding are expected to be finalised in Q2 2012.
Queensland Minerals & Energy Academy (QMEA)	QMEA has been working with Australia Pacific LNG and other proponents to establish new schools-based programs in Gladstone, similar to existing programs that have been successfully implemented by CSG proponents in the Surat Basin. A Gladstone-specific program which focuses on curriculum development, teacher professional development and student programs in Science, Technology, Engineering and Mathematics (STEM) has been agreed, with funding arrangements expected to be finalised in Q2 2012.

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Organisation	Involvement
Gladstone Area Group Apprentices Limited (GAGAL)	The Project is working on two fronts with GAGAL. Bechtel Oil, Gas and Chemicals is working directly with GAGAL on apprenticeship programs to support the construction workforce requirements of the LNG facility. Australia Pacific LNG has held preliminary discussion with GAGAL to identify potential areas of support that may target non-LNG training and employment opportunities to assist with the broader skills shortage in the Gladstone region.
Gladstone Engineering Alliance (GEA)	Discussions with GEA have focused on innovative approaches to support SME's in Gladstone, with emphasis being placed on retention strategies as well as programs that can support the expansion of work experience opportunities for schools-based programs and a greater uptake of trainees and apprentices. A collaborative approach is being proposed between LNG proponents, GEA and DET through the Gladstone Workforce Development Strategy currently under review.
Central Queensland Institute of TAFE (CQIT)	Discussions on development of operations-specific training programs delivery and joint proponent/industry/CQIT development of a purpose built training facility on-campus in Gladstone.
CSG-LNG Proponents	Development of a Job Referral Portal.

7. Strategy Implementation

The Australia Pacific LNG Workforce and Training Strategy comprises four key Action Plans:

1. Local Education and Training Program
2. Apprentice and Trainee Program – LNG Facility Construction and Operations Workforce
3. Workforce Induction
4. Workforce Retention and Skills Enhancement

As the stakeholder engagement process progresses, these Action Plans will be refined to ensure key priority areas are met.

Table 2 provides a status update on each of the Action Plans, along with an overview of potential partners and indicative timeframes for implementation.

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Table 1 Action plan summaries

Status update	Potential partners	Indicative timeframes
Action Plan 1: Local Education and Training Program		
<ul style="list-style-type: none"> • LNG Industry Opportunities: aims to increase the profile of the LNG Industry as a career opportunity in the Gladstone region through the following: <ul style="list-style-type: none"> - Partnering in schools-based traineeship and apprenticeship programs - supporting school vocational visits to the Australia Pacific LNG Community Centre - Supporting school based industry specific projects Participating in education seminars and workshops - Providing industry familiarisation to educators - SPIRIT scholarship program and professional pathways 	QMEA EQIP ConocoPhillips/CQU/UQ	Q1 2012 Q1 2012 Program Design 2012 Vocational support programs in place and ongoing
<ul style="list-style-type: none"> • Non-LNG Opportunities: aims to provide broader employment opportunities that are not specifically LNG industry focused and to assist in 'back-filling' the potential drain on labour from the region through: <ul style="list-style-type: none"> - Partnerships to upskill under-represented groups - Work readiness (pre-employment) programs 	ESQ DET Many Rivers Microfinance Gladstone Engineering Alliance CQIT	Q1/Q2 2012 Q1/Q2 2012 Q1 2012 TBD (expected Q2 2012)

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Status update	Potential partners	Indicative timeframes
<ul style="list-style-type: none"> - Indigenous micro-business development¹ 		
Action Plan 2: Apprentice and Trainee Program – LNG Facility Construction and Operations Workforce		
<p>Construction: Construction Phase Workforce and Training Programs will primarily be managed through the Principal Construction Contractor, and the Australia Pacific LNG Community Relations Program providing support and oversight of programs that overlap with non-workforce specific programs. Due to the significantly larger workforce required in this phase, the overall Workforce and Training Program is weighted toward supporting workforce and community in the lead up and during this period.</p> <p>As trade apprenticeships take 3-4 years to complete, it is unlikely that the Project can support apprenticeships from first year through to completion in the Construction Phase. Therefore, the Project encourages the employment of locally-based apprentices through the Gladstone Area Group Apprentices Limited (GAGAL) and/or other similar organisations. The Principal Contractor’s Training Plan details specific approaches to trainee, apprentice and Indigenous employment initiatives and programs.</p> <p>The Principal Contractor in partnership with the Federal Government has implemented an adult apprenticeship scheme under the National Apprenticeship Program. The program aims to ‘fast track’ apprenticeships through recognition of prior learning and experience, reducing the timeframe to complete the competencies required to obtain a full trade qualification in 18 months instead of four years. A total of 400 adult apprentices will be trained, with approximately 130 of these obtaining full time employment on the Australia Pacific LNG</p>	<p>Construction:</p> <p>Bechtel GAGAL or similar RTO</p>	<p>Q4 2011</p>

¹ Detailed in Aboriginal & Torres Strait Islander Engagement Strategy

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Status update	Potential partners	Indicative timeframes
<p>Project.</p> <p>Operations: Despite the significantly reduced size of the Operations workforce, Australia Pacific LNG is putting in place training programs early to support the timely staffing of this workforce with qualified staff.</p> <p>Specific plans are currently under development by the ConocoPhillips Operations Management and Human Resources groups. It is anticipated that recruitment and training will commence from mid-2012.</p>	<p>Operations:</p> <p>ConocoPhillips Darwin Operations Centre Training Academy (DOCTA)</p> <p>Challenger Institute of Technology's Australian Centre for Energy and Process Training (ACEPT)</p> <p>CQIT Industry LNG proponents</p>	<p>Established and operational – block training programs from June 2012 (estimated)</p> <p>Established and operational – block training programs from June 2012 (estimated)</p> <p>TBD – discussions commenced on potential LNG-specific training courses and training facilities development</p>
Action Plan 3: Workforce Induction		
<p>The Project Orientation and Induction Program (Principal Contractor) comprises both Project induction and package-specific induction delivered by sub-contractors. All construction workforce personnel (direct hire or subcontract) must complete the Principal Contractor induction. The Program has specific emphasis on Workplace Health and Safety and respect for, and awareness of, potential impacts on social and cultural aspects of the Gladstone community.</p> <ul style="list-style-type: none"> • Project Induction includes, at a minimum: <ul style="list-style-type: none"> - Briefing on full scope of the Project - Project Health Safety and Environment policy and procedures - Project commitment to community relations 	<p>ConocoPhillips Bechtel Other sub-contractors Traditional Owners</p>	<p>Operational from May 2011 and ongoing</p>

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Status update	Potential partners	Indicative timeframes
<ul style="list-style-type: none"> - Indigenous involvement and cultural awareness - Environmental Protection Code of Conduct - Project Work Rules - Accommodation Code of Conduct - Emergency Preparedness and Response - Services provided by the Project including accommodation, catering and transport 		
Action Plan 4: Workforce Retention and Skills Enhancement		
<p>Australia Pacific LNG and the Primary Contractor have put in place a number of mitigation strategies to manage the risks associated with labour retention. These include (as outlined in the Primary Contractor Employee Relations Management Plan):</p> <ul style="list-style-type: none"> - Up skilling and training local employees in critical skill shortage areas - Highly modularized approach to reduce on site manning requirements - Transference of labour between projects based on specific skill requirements and ensuring that each project adopts a co-operative approach in relation to this issue - Maintaining employment of Project employees throughout the maximum possible duration within each project - Recruitment road shows, advertisements, highly 	<p>ConocoPhillips Bechtel Sub-contractors TBD - Training providers</p>	<p>2011 - 2015</p>

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Status update	Potential partners	Indicative timeframes
<p>publicized recruitment portal to ensure projects are marketed and exposed to a large audience/readership</p> <ul style="list-style-type: none"> - Attraction and retention of employees through competitive remuneration and potential incentives - High quality camp accommodation with recreational outlets and high standard amenities - Ensuring that international labour pools of skilled workers in the critical skill shortage areas have been identified adequately and the 457 visa process is streamlined should they be required by the project - Monitoring the progress and status of major projects likely to be in direct competition with Bechtel's upcoming oil and gas projects and providing key stakeholders with updates. 		

8. Reporting and Review

8.1. Reporting

Progress updates on the implementation of the Workforce and Training Strategy will be provided to the Gladstone Region LNG RCCC for review every 6 months. The Workforce and Training Strategy will also be reported on annually as part of the SIMP annual report. Proposed key performance indicators for the Workforce and Training Strategy include:

- Number and percentage of self-identified persons employed by Australia Pacific LNG and contractors by social equity target group, occupation and position
- Number and percentage of Australia Pacific LNG and contractor workforce sourced from the local area
- Number of local area residents and underrepresented groups participating in skills development programs offered by Australia Pacific LNG and its partners
- Number and value of scholarships provided per year
- Number of construction employees transitioning into operation phase

8.2. Review

This strategy will be reviewed as part of the ongoing management system reviews or when significant business changes occur. In addition, as a key component of the SIMP, the strategy will be subject to external audits as conditioned by the Coordinator-General. The timing for these audits is:

- at the completion of the construction stage of the Project
- periodically every 5 years after the commencement of the operational stage, and
- at Project closure during the decommissioning phase

Following the external audit a report summarising the findings will be compiled and submitted to the Coordinator-General.

9. Conclusion

Australia Pacific LNG's Workforce and Training Strategy is based upon an iterative consultation process with key regional stakeholders and aims to be aligned with the Principal Contractor's efforts to attain and retain a high quality, safety focused construction workforce.

The Project is cognisant of the potential 'drain' on the existing skilled workforce in the Gladstone region which, due to the unprecedented current development climate brought about by the burgeoning LNG industry, imparts a level of responsibility to provide employment opportunities to as many local residents as possible, both within the LNG industry as well as supporting the wider business and industry sectors, including small to medium enterprises (SME's) and key workers. Australia Pacific LNG's approach will continue to focus on opportunities and investments in workforce development that take a broad and long term view of the region's needs.

This strategy as presented attempts to address a reasonable spread of anticipated need. Ongoing consultation with key stakeholders and community groups is seen as a critical factor in retaining an understanding of the Gladstone workforce landscape and how to best intervene in a positive and proactive way.

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