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# Staffing Australian LNG Projects

AACC Energy Conference 2012  
Friday January, 20th

# TALENT EXODUS & MISSING GENERATION

## 2016 – AUSTRALIA AS LARGEST LNG PRODUCER

- 1.0 Staffing LNG Projects – What does it look like?
- 2.0 The Australian Context – What is it?
- 3.0 Practical Tips: Overcoming Staffing Challenges in Australian LNG

# 1.0 STAFFING LNG PROJECTS: WHAT DOES IT LOOK LIKE?

# 1.1 STAFFING LNG PROJECTS WORLDWIDE



2006 – 2010 – World LNG production doubles

Development of Specialist Talent across multiple projects completed since 2002:

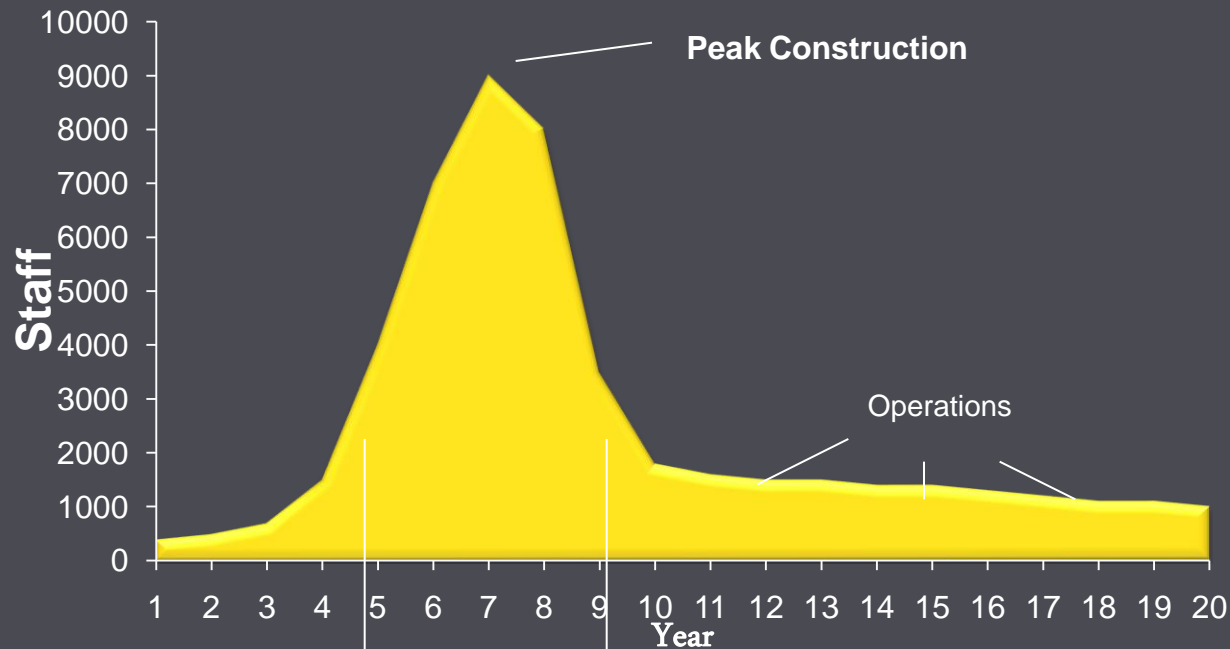
- Sakhalin, Russia
- Ras Gas, Qatar
- Qatar Gas, Qatar
- Darwin LNG, Australia
- NWS Venture / Pluto, Australia
- Tanguh, Indonesia
- Yemen LNG
- Bintulu, Malaysia
- Atlantic LNG, Trinidad & Tobago
- Bonny Island, Nigeria

... and NES Global Talent has played a role in supporting the staffing of many if not all of these and upcoming LNG projects in some capacity.

## 1.2

# SO WHAT LIGHT CAN WE SHED ON THE STAFFING REQUIREMENTS OF AN LNG PROJECT?

## PROJECT LIFECYCLE



1. STAFF

2. STAFF AUGMENTATION

3. SCOPE OF WORK

## 1.3 STAFFING THE PROJECT DEVELOPMENT PHASE

- Staff Augmentation & SOW bias
- EPC Phase = Globalisation of project footprint



# 1.4 TALENT REQUIREMENTS

## PROJECT DEVELOPMENT

(5,000 – 15,000)



Engineering & Project Management

HSES & Quality

Project Services

Construction

Commissioning

## OPERATIONS

(500 – 1,000)



Drilling & Production Engineering

Operations

Maintenance

Commercial / Business Analysis

LNG Shipping / Marketing

**= > Project workforce can consist of as many as 30 + different nationalities.**

**= > Pinch points - Engineering, Project Services, Commissioning & Drilling.**

## 1.5 FACTORS THAT IMPACT ATTRACTION & RETENTION OF TALENT



- These will include:
  - Local Content Requirements
  - HSES
  - Cost of Living / Taxation
  - Immigration
  - Rotational Roster
  - Camps / Township Amenities
  - Travel
  - Project Duration
  - Position Descriptions
  - Recruitment Process / Employer Branding

CHALLENGE = TIME / QUALITY / COST

2.0

# THE AUSTRALIAN CONTEXT: WHAT IS IT?

## 2.1 AUSTRALIA



So what makes Australia different?

- A great place to call home
  - Security, Great Outdoors, Public Health & Education, Weather...
- Resource-rich nation, comparatively small population [23m].
- Sustained Resource & Infrastructure boom (2004 – date)
- Track record of delivering and operating projects in remote regions
- Buoyant economy and developed legislative system

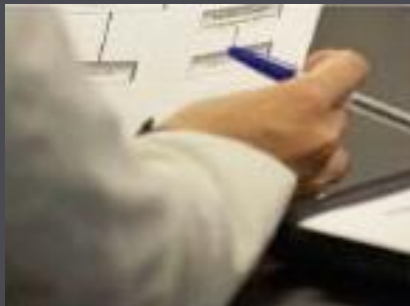
## 2.2 STRENGTHS / OPPORTUNITIES



Incumbent Talent Base



Training Culture & Infrastructure



23 AG  
Tax Legislation



Regional Workforce

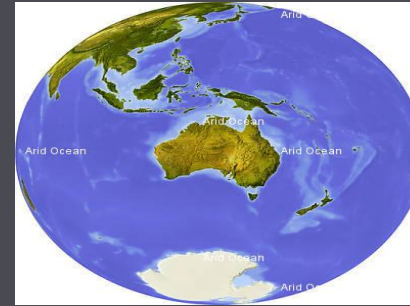


Strong Australian Dollar

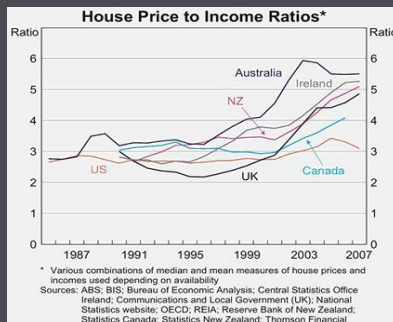
# 2.3 THREATS / WEAKNESSES



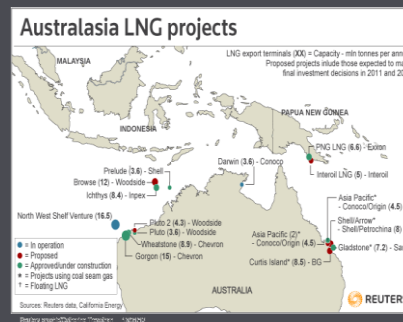
Talent Demographics



Geography



Taxation & Cost of Living



Competition



Immigration

3.0

PRACTICAL TIPS:

OVERCOMING THE STAFFING  
CHALLENGE

## 3.1 ENTERPRISE MIGRATION AGREEMENT (EMA)



Designed to address the need for more than 70 000 additional skilled workers on major resources projects over the next five years.

The EMA will act as an umbrella migration arrangement allowing for a project-wide approach to meeting Talent needs.

Available to Projects with > \$2bn CAPEX and 1500 + jobs

Ability to negotiate for “semi-skilled” and “sub trade” on a project basis.

EMA Guidelines released September 2011:

[www.immi.gov.au/skilled/\\_pdf/ema-submission-guidelines.pdf](http://www.immi.gov.au/skilled/_pdf/ema-submission-guidelines.pdf)

## 3.2 EXPANDING THE TALENT POOL

Research suggests that 75% of people will consider relocating to secure a better job. 40% of this population would be prepared to move permanently.

- Location Migrants (Domestic & Global)
- Industry Migrants
- Internal Role Changers
- Workforce Entrants



## 3.3 PROJECT BONUSES

- Bonuses can be designed to incorporate:
  - Contract Completion
  - Progress & Milestones (including HSE)
- \$12,000 per annum = \$50 per day (based on 240 days) = approx 3-5% TFR
- Benefits:
  - Attraction
  - Retention
  - Alignment with project objectives

## 3.4 PLANNING

- What are the roles required (including **POSITION DESCRIPTIONS**)?
- What are the HSE / Immigration / Lifestyle parameters?
- When do we need the Talent?
- Where will the Talent be assigned?
- What will we pay? / What are the conditions of assignment or employment?
- Where will we find the Talent?
- How do we use “hired guns” (contractors with key skills that are needed for a short period or can be transferred)?
- Where are the gaps? / What training is required?
- Who do we need to **PARTNER** with? (Supply chain, Govt, Competitors)



THANK YOU