

Ref AA1000396

27<sup>th</sup> October 2017

Darrell Channing  
Director  
Australian Competition & Consumer Commission  
23 Marcus Clarke Street  
Canberra ACT 2601

Dear Darrell

**RE: Submission by Monadelphous Engineering Associates Pty Ltd (“Monadelphous”) for Western Australian and Northern Territory LNG Producers applications for authorisation AA1000396**

Monadelphous wishes to make a submission in support of the application by Western Australian and Northern Territory LNG Producers for Co-ordinated scheduling of maintenance for Western Australia and Northern Territory LNG projects.

#### **Monadelphous**

Monadelphous is an ASX-listed, engineering services company that provides, inter alia, maintenance and shutdown services to the Australian LNG market. Monadelphous currently provides maintenance services to all of the Applicants across all facilities listed in Section 2.2 of the Submission in support of the application.

The scope of services typically provided by Monadelphous include the planning, management, supervision and execution of major and minor shutdowns for Woodside Energy Limited, Shell Australia Pty Ltd and Inpex Operations Australia Pty Ltd. In addition, Monadelphous also provides facilities maintenance services to Chevron Australia Pty Ltd. Monadelphous supplies skilled personnel, tooling, materials, consumables and plant and equipment for the conduct of the maintenance and shutdowns.

#### **Benefits of Application**

Monadelphous sees the following benefits of the Application.

(a) More efficient utilisation of labour resources and equipment

The applicants seek to co-ordinate the timing of their shutdowns and maintenance activity to avoid concurrent activity. The seasonal constraints on the timing of LNG shutdowns (weather & cyclones, LNG customer demands, etc.) limit the available period throughout the year for execution of shutdowns. By co-ordinating the timing of shutdowns within these already constrained windows, the LNG operators and contract service providers can get better utilisation of labour resources and equipment.

The cost of unnecessary mobilisation and demobilisation of personnel and equipment can be eliminated, reducing costs for both the operators and service providers.

Further, co-ordinating shutdowns will provide opportunities for service providers to invest capital with confidence of longer term engagement (rather than lumpy, peak demand).

(b) These facilities are competing for a national pool of LNG shutdown personnel

The execution of shutdowns in LNG facilities (major and minor) involve resourcing of skilled personnel and specialist plant and equipment. The available labour pool for this work (e.g. trade qualified, oil & gas industry experience, specific LNG shutdown experience) is an Australia-wide pool. Each of these LNG facilities in Northern Territory and Western Australia will be competing

with each other and other LNG plants in Australia (e.g. Curtis Island, Queensland) for access to this labour.

Coordinating the planned maintenance shutdowns will improve the attractiveness to potential employees, thereby reducing the cost of labour, and increasing the quality and calibre of employees. Moreover, better sequencing of shutdowns will provide opportunity to upskill local labour, thereby increasing the employment of local resources for ongoing shutdowns.

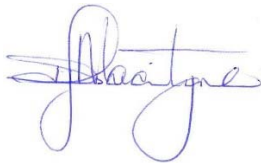
(c) Levelled demand for support infrastructure and services

Shutdowns will require use of support infrastructure, such as accommodation, transport and logistics, and specialist engineering services. Shutdowns executed concurrently would stretch local capacity in these areas, requiring services to be drawn from further afield (at an increased cost).

Coordinating the shutdowns better would provide greater opportunity for local businesses and service providers to meet the LNG operators' requirements.

Should you require further information or clarification of any aspect of this submission, please contact the undersigned on (08) 9316 1255, or by email at [dmacintyre@monadel.com.au](mailto:dmacintyre@monadel.com.au).

Yours sincerely



Doug Macintyre  
**General Manager Oil & Gas**  
Maintenance and Industrial Services