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LAWYERS



NGERS: Are your contracts ready?

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Outlook@UDIA

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NGERS: Are your contracts ready?



Carbon, infrastructure & jobs

Four CEOs explain why their companies are taking such an interest in the national capital.

ROD PEARSE / CEO, Boral

"Some \$20 billion of the Federal Government's stimulus package represents increased expenditure on building and construction. We are closely monitoring what steps are being taken to fast-track the expenditure. From Boral's perspective, the Federal Government's initiative should strengthen demand for both construction materials and building products businesses. We are also working closely with the Build Government on implementation of the carbon pollution reduction scheme. We support a move towards a lower carbon economy and we have been discussing with the government, both directly and through industry associations, specific design aspects of an emissions trading scheme."

WAL KING / CEO, Leighton Holdings

"The introduction of the planned carbon pollution reduction scheme is being monitored closely as to its practical implementation and probable cost implications. The Leighton group is actively engaging with government to ensure that design and transition issues are addressed. Even though resources-related investment is likely to fall over the next few years, work levels should stay historically high, supported by privatised economic and social infrastructure investment. Federal and state governments have ambitious infrastructure plans aimed at stimulating the economy and overcoming previous underinvestment. The readiness of various governments to move into deficit to boost infrastructure investment is a positive sign."

PAUL O'MALLEY / CEO, BlueScope Steel

"Government stimulus packages may translate into some improvement in economic activity later this calendar year, but it remains to be seen how it will affect steel demand. The proposed carbon pollution reduction scheme needs an effective transitional plan to minimise the financial impact in the early years and the competitive disadvantage to Australian industry until its major global competitors are similarly constrained. We are engaging constructively with the Federal Government with proposals that promote reductions in carbon emissions while protecting this vital manufacturing industry and Australian jobs."

DON YOELTE / CEO, Woodside

Yoelte revealed the extent of his Carbon lobbying in comments made last September about his efforts to have the LNG industry compensated for the effects of the emissions trading scheme. "I guess the cynic could say that [the government] is making a list of how many times Woodside has talked to them and saying: "Well, we consulted with these guys 25 times and [so] they tick the box ... I would have expected that, from the amount of interaction that we and the rest of the industry have had, we would at least see a discussion of options."

When the government eventually released the final version of its scheme in December, it seemed the LNG industry had been included in plans for compensation. However, Woodside says the details of how this will work remain unclear.

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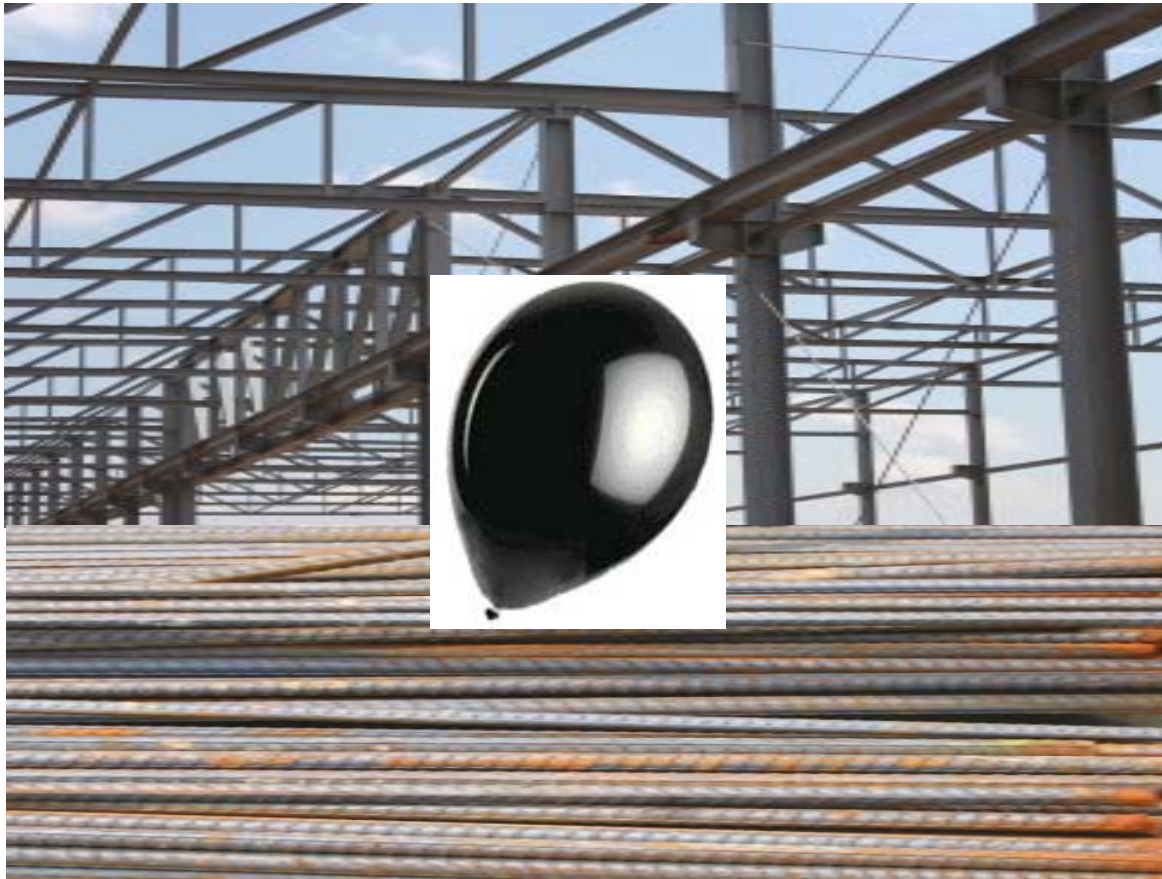
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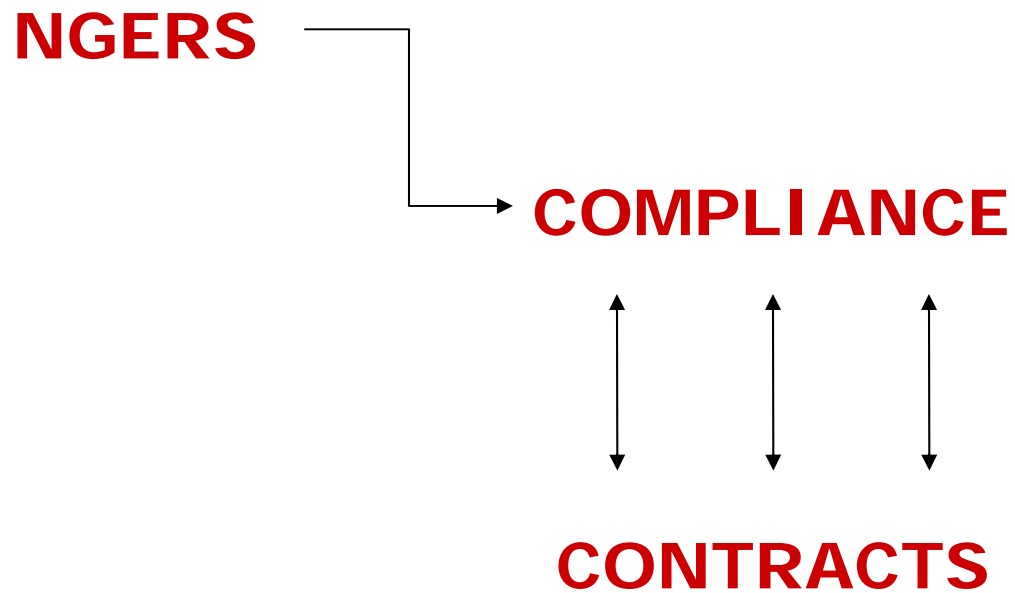
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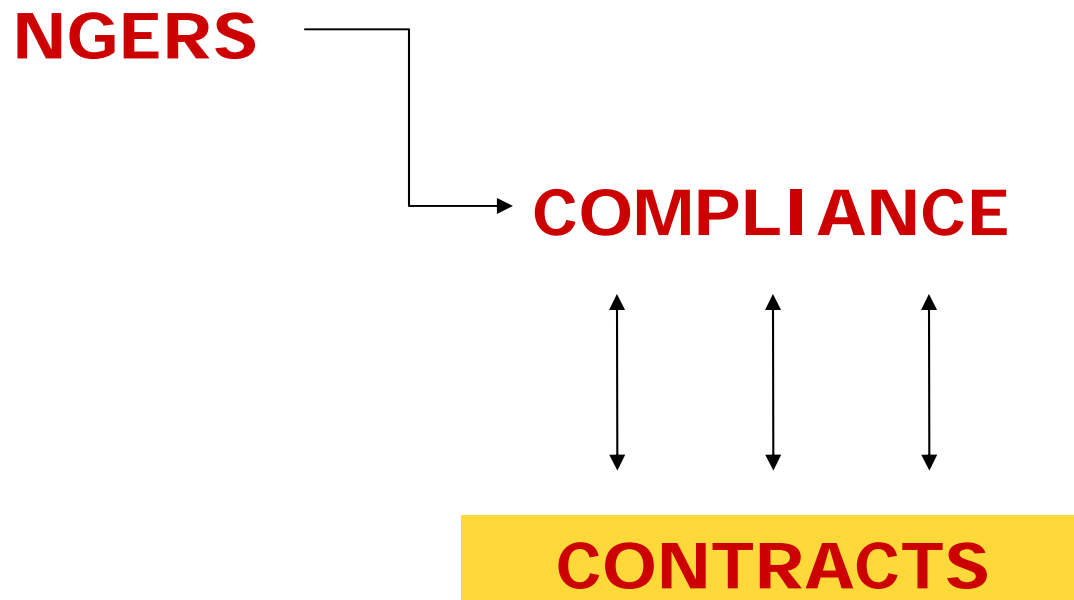
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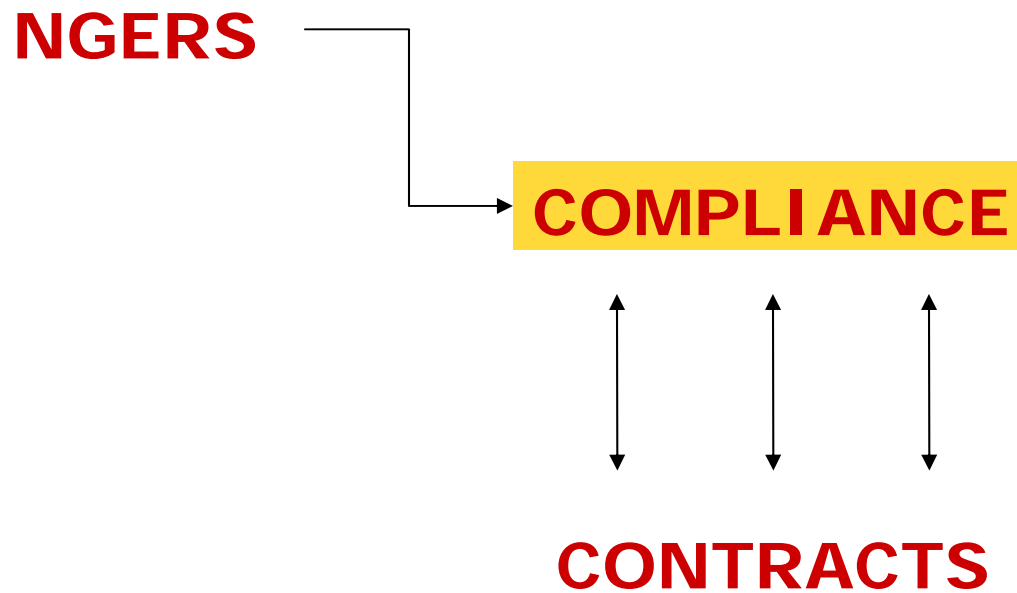
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NGERS Compliance



Notes: TJ = terajoule (10^{12} joules) of energy consumed or produced; kt = kilotonne (10^3 kilograms) CO_2 -e equivalent of greenhouse gases emitted. Conversion factors: Energy—1 terajoule = 1000 gigajoules, 1 gigajoule = 1000 megajoules, 1 megajoule = 1000 kilojoules, 1 kilojoule = 1000 joules; CO_2 -e emissions—1 kilotonne = 1000 tonnes, 1 tonne = 1000 kilograms.

Source: National Greenhouse and Energy Reporting Guidelines

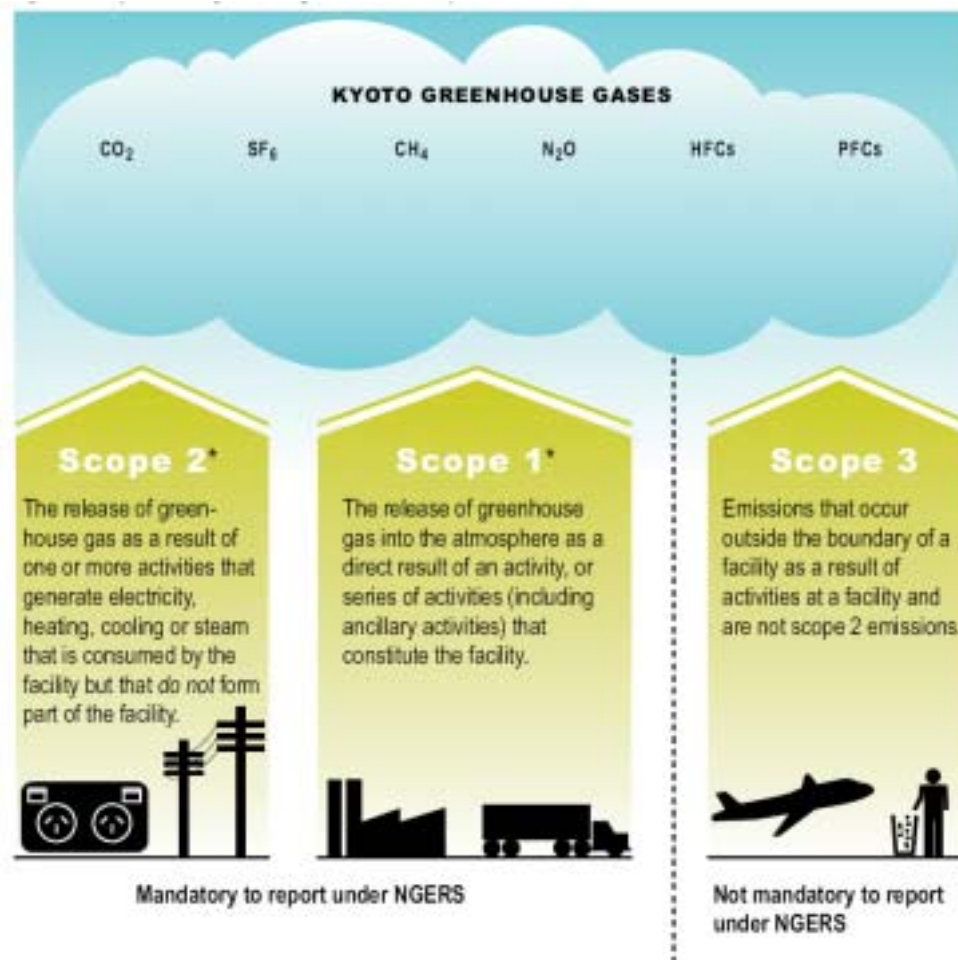
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Operational control

- Authority to introduce and implement:
 - operating policies
 - health and safety policies
 - environmental policies



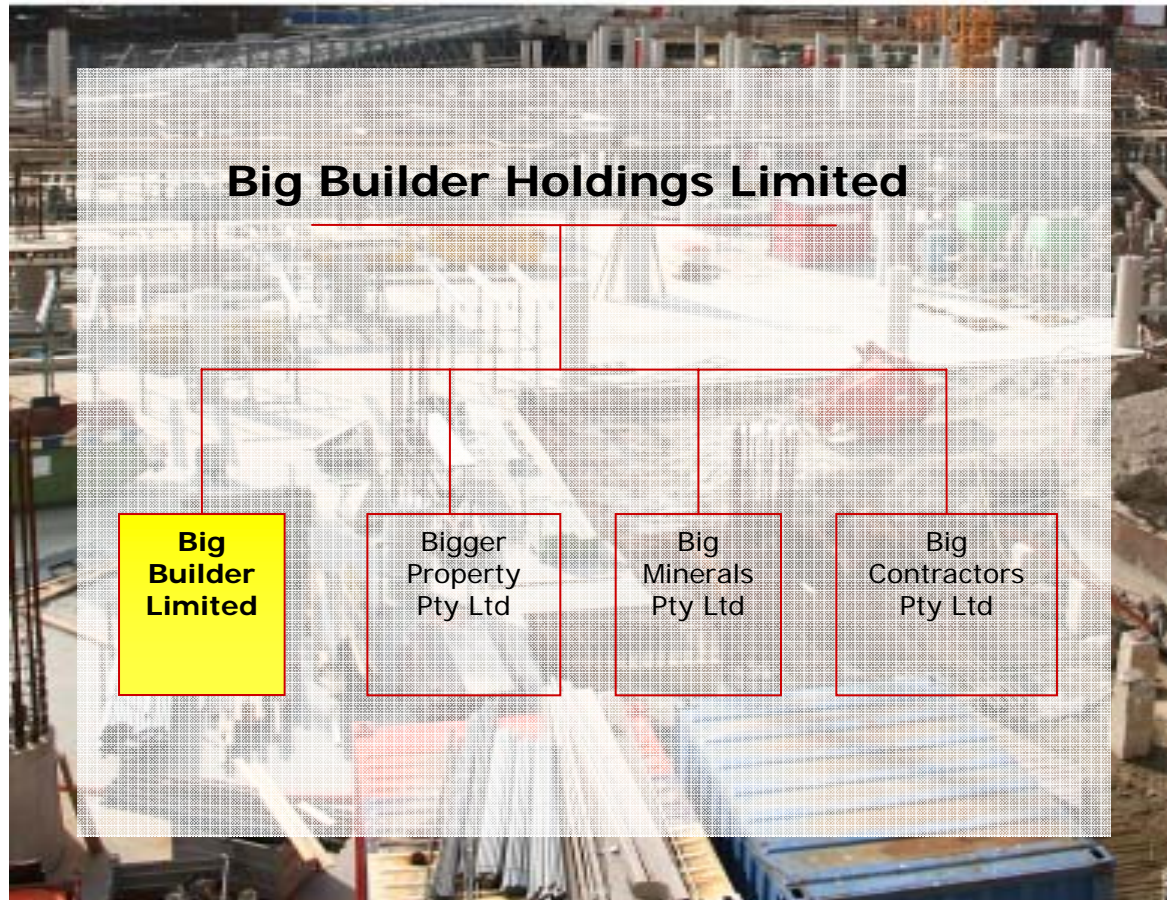
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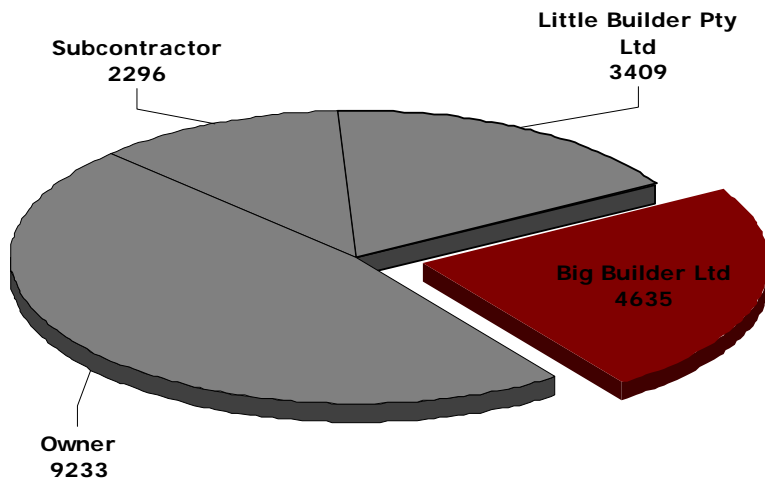


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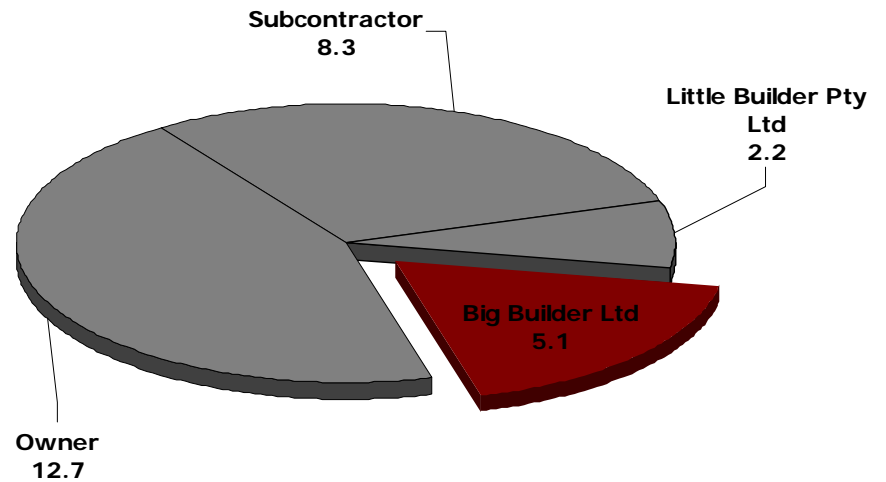
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GHG Emissions (Tonnes CO₂-e)



Total: 19,573 tonnes CO₂-e

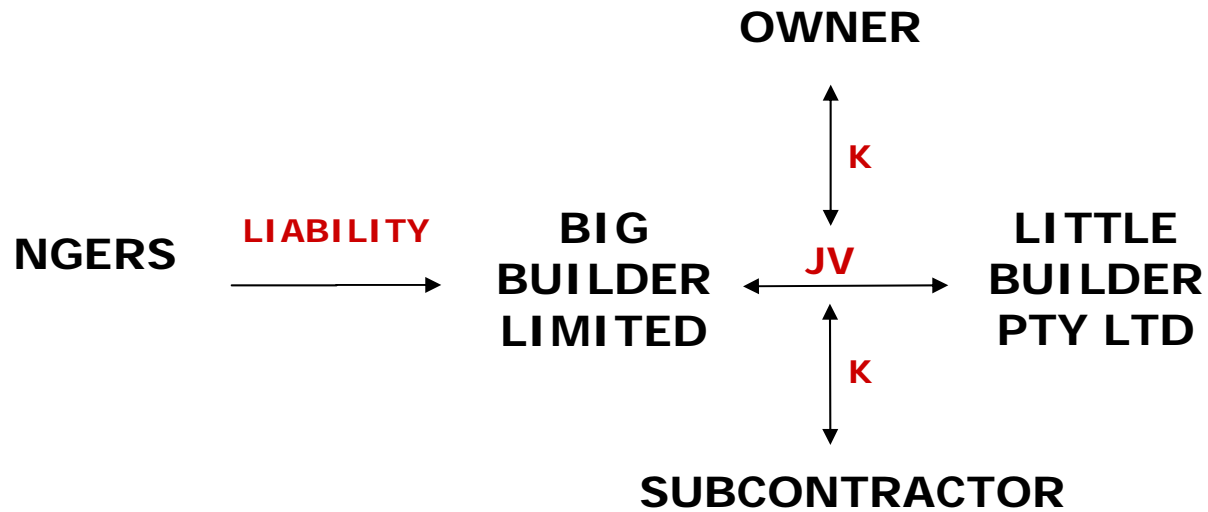
Energy Use (TJ)



Total: 28.3 TJ



NGERS Contracts



NGERS Contracts

- Key issues:
 - Operational control
 - Access to accurate data on a timely basis
 - Retention of records
 - Cost pass-through
 - Commercially sensitive data
 - Project hand-over



Descending corporate thresholds



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Summary

KEY ISSUES

- Operational control
- Access to accurate data on a timely basis
- Retention of records
- Cost pass-through
- Commercially sensitive data
- Project hand-over

KEY OBJECTIVES

- Avoid fines
- Avoid disputes
- Avoid triggering audit
- Important step towards “carbon ready contracts”

Contact

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