

Please direct all responses/queries to:

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Committee Secretary
Senate Standing Committees on Economics
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Committee

Letter of Support: *Treasury Laws Amendment (Cyclone and Flood Damage Reinsurance Pool) Bill 2022 (the Bill)*

About Woodside

Woodside is Australia's leading natural gas producer, committed to providing sustainable energy solutions.

We have a portfolio of quality oil and gas assets and more than 30 years of operating experience. Through our North West Shelf and Pluto LNG projects we operated 5% of global LNG supply in 2021. Offshore Australia we operate two floating production storage and offloading (FPSO) facilities, the Okha FPSO and Ngujima-Yin FPSO. We also have a non-operated participating interest in the Wheatstone project, which started production in 2017.

In 2021, we sanctioned the Scarborough and Pluto Train 2 developments, which will include the installation of a floating production unit, and the construction of a second LNG train, associated domestic gas processing facilities and modifications to Pluto Train 1 to allow it to process Scarborough gas.

We are evolving our business to develop a low-cost, lower carbon, profitable, resilient, and diversified portfolio to help us thrive through the global energy transition.

Enduring, meaningful relationships with communities are fundamental to our social performance. Woodside is committed to managing our activities in a sustainable way that is fundamental to the wellbeing of our workforce, our communities, and our environment.

Significance of accommodation to our regional workforce

Woodside has had a strong residential footprint in Karratha, Western Australia for almost 40 years, with approximately 520 employees currently living and working locally. A number of our contractors' personnel also live and work locally.

We understand that quality housing is one factor in attracting and retaining our operations workforce and their families to live and work in Karratha.

In line with community and employee expectations, Woodside is transitioning to a predominantly residential frontline operations workforce in Karratha by the mid to late 2020s, enabling our people

to live where they work and build a stronger team and community connection. For us, this is critical as we envisage our presence in Karratha extending decades into the future.

This long-term change will be balanced with maintaining competency requirements across our current facilities and resourcing new facilities including the Scarborough and Pluto Train 2 developments.

In 2019, in line with the residential commitment, Woodside introduced a new employee home ownership policy, providing an allowance for Karratha-based employees who own their home in the City of Karratha.

Support for the Bill

Given our long-term housing strategy is to provide employees access to quality housing with increased choice, we support the Bill as it aims to improve insurance access and affordability for households and small businesses in cyclone-prone areas. From our experience, the inability to obtain adequate and affordable insurance is a significant disincentive to buying a property. Additionally, as insurance for households and small businesses caused by extreme weather becomes less accessible and / or affordable additional financial pressure is placed on communities and governments who are left to cover the clean-up.

This is particularly topical given the strength and intensity of recent cyclones to impact Karratha and surrounding areas, including Cyclone Veronica in 2019 and Cyclone Damien in 2020. Both cyclones subjected Karratha to heavy rainfall, flooding and storm force winds, which caused damage to homes and businesses, and impacted resource and agricultural operations.

Concerns with the Bill

While Woodside is strongly in favour of the purpose and intent of the Bill, we have concerns over how the Bill will operate and ensure that benefits are passed onto households and small business owners.

Woodside welcomes the direction provided to the Australian Competition and Consumer Commission to ensure that savings are passed through to policyholders and that the Bill delivers on its intended outcomes. However, it is unclear how this will practically occur to ensure outcomes are achieved in the short- to medium-term.

We also believe it would be beneficial for stakeholders to have a clear understanding during this phase of consultation of what pricing formula the Australian Reinsurance Pool Corporation will use.

Finally, while the Bill is focussed on supporting the impacts caused by extreme weather, Woodside supports the Productivity Commission's recommendation to increase Federal and State funding to proactively prepare communities to be more resilient to extreme weather.

Regards



Julie Fallon
Acting Senior Vice President Corporate and Legal | Woodside