

Connecting with our customers

2019 Annual Review

AGIG 2019 Annual Review

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We are Australian Gas Infrastructure Group (AGIG)

One of Australia's largest gas infrastructure businesses.

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Our vision is to be the leading gas infrastructure business in Australia. We will achieve this by delivering for our customers, being a good employer and being sustainably cost efficient.

We own and operate infrastructure that delivers gas to Australian homes, businesses and communities. We also deliver and store gas that supports the Australian economy - for power generators, mines and manufacturers. We are working towards delivering an Australian-first project in renewable hydrogen production.

Our portfolio of companies deliver for customers across Australia.



Operates gas infrastructure (transmission pipelines and storage) in Western Australia and the Northern Territory.



Operates gas distribution in Victoria.



Operates gas infrastructure (distribution and transmission pipelines) in Victoria, South Australia, Queensland, New South Wales and the Northern Territory.

AGIG builds and operates infrastructure across the country.



Walking the Tubridgi site

Message from the Chairmen

As the Chairmen of the companies that make up AGIG – DBP, MGN and AGN – we are proud of the achievements in 2019.

John Langoulant AO

Chairman, Dampier Bunbury Pipeline

The Dampier to Bunbury Pipeline business has had another significant year with some considerable milestones achieved, all of which support AGIG's Vision.

We have delivered for our customers through 100% pipeline reliability and zero reportable environmental incidents. Customer satisfaction has also increased to a record high.

The delivery of the Tanami pipeline for our valued client Newmont Corporation, started 2019 off exceptionally well. The 440km project was completed below budget and ahead of schedule, with a focus on land, stakeholder and community engagement. We also expanded our Tubridgi gas storage facility, allowing us to deliver more flexible energy products to our customers.

The Group's largest asset, the Dampier to Bunbury Natural Gas Pipeline (DBNGP), was given a clean bill of health in 2019 following an extensive inspection program. This work assessed the integrity and safety of the entire length of the pipeline, resulting in reassurance that the line remains reliable and efficient.

For employees, health and safety is our primary focus and I am pleased that our strong performance in 2018 continued throughout 2019. We have had more than 24 months without a recordable injury.

With customers in mind, during the year we submitted our five-year plan for the DBNGP to the Economic Regulatory Authority for review. This plan outlines the activities and investments we propose to undertake over the 2021 to 2025 period and the resulting price change for customers. The plan was informed by a dedicated engagement program, a new initiative which customers acknowledge as a positive progression.

Business growth continues to be a focus. In late-2019 we were awarded the pipeline component of the Pluto-to-North West Shelf Interconnector project, building on our strong relationship with Woodside Energy and on the Pluto Inlet project delivered in 2018. Whilst in January 2020 we were awarded funding from the Western Australian Government to assess the capability for hydrogen to be introduced into the DBNGP.

I look forward to seeing these new projects progress in 2020, along with the continued focus of delivering for customers and our employees.

Peter Tulloch

Chairman, Australian Gas Networks

Gas continues to be an important part of the energy landscape and it has been pleasing to see the AGN business deliver safe and reliable energy to customers across 2019, whilst also positioning to deliver low-carbon gas in the future.

John Langoulant AO

Chairman, Dampier Bunbury Pipeline



Peter Tulloch

Chairman, Australian Gas Networks



Peter Lowe

Chairman, Multinet Gas Networks



In 2019 we achieved our best ever leak response rate, demonstrating our commitment to public safety. Similarly, customer satisfaction was at the highest levels since we began measuring in 2016. Reliability of gas supply was also high.

Significant headway has been made in the major central business district mains replacement programs underway in both Adelaide and Melbourne. These works are key deliverables for the business and are complex given the built up environment. I'm looking forward to reporting on the completed programs over the coming years.

Whilst our workers continue to deliver in the field, our focus remains on achieving continuous improvement in employee and contractor safety.

Our business has been working hard on forward planning for the South Australian network, with the Draft Plan for the July 2021 to June 2026 period published in February 2020. Like the DBNGP Plan, the SA Draft Plan has been informed by a dedicated stakeholder and customer engagement program to ensure that our investment plans and tariff structures consider customer values and priorities. Following further engagement, the Final Plan will be submitted to the Australian Energy Regulator by mid-2020.

A low-carbon future has played a huge role in 2019, with the business driving the hydrogen economy in Australia.

Construction began on AGN's Australian-first renewable gas project, Hydrogen Park South Australia and 2020 will see the facility completed and operational, delivering a 5% hydrogen blend to the Adelaide suburb of Mitchell Park. Early-2020 also saw the business awarded funding for a follow-on project, Hydrogen Park Gladstone, which will deliver a 10% hydrogen blend to the entire Gladstone network.

In addition to this, government funding support for the AGN-led Australian Hydrogen Centre was received in early 2020, allowing the research and development of feasibility studies for injection of 10% renewable hydrogen into the gas distribution network.

AGN is committed to delivering for customers now and in the future.

Peter Lowe

Chairman, Multinet Gas Networks

This year has seen exceptional improvements for MGN's customer service, with a focus on delivering for our customers and improving their experience.

Our first priority remains public safety, and I am pleased to see MGN achieve best ever leak response in 2019, including responding to 100% of leaks within the target timeframe during September.

Customer satisfaction scores improved over 2019 following a strong business focus.

MGN achieved an aggregate customer satisfaction score of 7.5 compared to 6.9 the previous year, with a significant improvement in the new connections score. The business will look to improve this further over 2020. We also achieved improvements in our emergency call response rate following a change in service providers.

I look forward to seeing improvements in reliability in the network in 2020. Whilst gas networks are inherently reliable, we strive to be leading, and 2019 saw higher than usual interruptions resulting from heavy rainfall.

The business will look to address this through mains replacement – an activity which I am pleased to say we have delivered to time and budget over 2019, a great result. We will also focus on ensuring any interruption to service is resolved as quickly as possible.

Safety of our employees is key and I was pleased to see zero Lost Time Injuries at MGN over the course of 2019.

It is important to highlight the work of the business to integrate and form a seamless one-AGIG. Much work has already occurred relating to separating Information Technology (IT) systems from legacy arrangements and during 2019 we developed a one-AGIG IT roadmap. These are complex processes and I look forward to seeing their implementation in 2020 and beyond.

Message from the CEO

In 2019 we delivered on our vision to provide a leading performance in the way we provide for customers, be a good employer and remain sustainably cost efficient.

Delivering for the customer

We are clear on our commitment to deliver for our customers. We have transparently reported on this through our vision since 2015 and in 2019 we increased reporting further through our first Energy Charter Disclosure Report. Pleasingly, we are already seeing the benefits of this initiative, as an enabler for various parts of the energy value chain to work together and deliver better solutions for customers.

The most important thing we do as a business is deliver energy safely to Australians. On our gas distribution networks this means responding to the gas leaks quickly and making them safe. In 2019 we delivered our best ever leak response, responding to 99% of reported leaks within the target timeframe, including 100% across several months.

For our Dampier to Bunbury Natural Gas Pipeline (DBNGP) there were no Tier 1 or Tier 2 safety incidents during 2019. We also completed our Inline Inspection Program in which the DBNGP received a clean bill of health, confirming safety and integrity of operations.

The reliability of our assets was also excellent. The DBNGP has now run for more than 12 years without interruption - whilst there were only 52 unplanned interruptions impacting five or more customers on our gas distribution networks.

Despite the strong performance, we are continually looking for ways to improve reliability, particularly on our MGN assets for which, whilst the quantum was relatively low, there was an increase in interruptions driven by high rainfall and water entering our older gas mains. In 2020 this will continue to be addressed through our ongoing mains replacement program.

A key focus in increasing security of supply for our customers was the Brisbane River crossing project. Completed in late 2019, this work delivers a second source of gas supply to more than 80,000 of our customers in Brisbane, reducing the single-asset supply risk. It was completed with zero safety incidents - a terrific outcome.

Keeping customers at the forefront of our business, it was great to see record customer satisfaction scores achieved in 2019. A fantastic result for the customer team who have been listening and responding to feedback from our customers.

Business growth in 2019 means we are now delivering to more customers through more services than ever before. The Tanami Gas Pipeline in the Northern Territory was delivered early in 2019, under budget and ahead of schedule with no safety incidents. Whilst, the expansion of our Tubridgi Gas Storage facility in Western Australia

means customers now have access to 57PJ of capacity (previously 42PJ) and larger injection and withdrawal rates.

Building on a strong relationship with Woodside, in late 2019, AGIG was awarded the Pluto-to-North West Shelf Interconnector project. Starting in 2020, the team will design, construct and operate a new 3.2km long pipeline connecting the Woodside-operated Pluto Liquefied Natural Gas Plant to the North West Shelf Project's Karratha Gas Plant, a significant new development.

A good employer

Providing a safe environment for our people is our key priority. This philosophy extends from site-based operational staff, contractors and office-based staff – we believe everyone should return home safely after work.

Across our operations, the recordable injuries per million hours worked in 2019 was 8.4, an increase from the previous year. This increase was driven by a rise in slips, trips and falls – this will be a key focus area for the business in 2020.

We know that zero harm is achievable – at DBP we have maintained a Total Recordable Injury Frequency Rate of zero for the second year running, a fantastic achievement and a safety culture we want replicated across the whole business. With this in mind, the cultural models introduced by the Health, Safety and Environment team during 2019 are an important way we can track our safety culture and reduce the risk of injury.

The Employee Engagement Survey undertaken this year had an impressive 85% response rate, the highest we've had to date. The survey offers a great opportunity for our people to shape the business and to understand how we're tracking against our vision. Our engagement score of 67% was top quartile, but down slightly on 2018. Working with the business, we have identified several key actions for 2020 which we have already begun implementing.

Sustainably cost efficient

The number of homes and businesses connected to our gas networks has again grown strongly, illustrating that gas remains a fuel of choice for Australians. In Western Australia we also saw an increase in gas delivered driven by higher demand from our industrial and power generation customers.

Over 2019, two comprehensive regulatory plans were developed. The Final Plan for the DBNGP for the 2021 to 2025 period was submitted to the Economic Regulatory Authority for review in December 2019, whilst in February 2020 the Draft Plan for our South Australian gas distribution network was published.

Importantly, both plans were informed by extensive customer and stakeholder engagement to ensure we deliver services in line with customer expectations. For the DBNGP, we are proposing to build on our strong safety and reliability performance, whilst reducing our cost base. Similarly in South Australia we propose to retain our excellent levels of reliability and safety, whilst reducing customer prices by around 8%.

We are leading the way in renewable hydrogen across the nation and across the energy value chain. AGN's flagship Hydrogen Park South Australia (HyP SA) project began construction in December 2019, marked by a ground breaking ceremony; whilst in January 2020, DBP received state-government funding to conduct feasibility studies on introducing hydrogen into the DBNGP.

In February 2020, we announced two new hydrogen projects. The Australian Hydrogen Centre (AHC), funded by the Australian Renewable Energy Agency, along with our founding partners the South Australian and Victorian state governments, AusNet, Neoen and ENGIE, the AHC will deliver feasibility studies on blending hydrogen and 100% hydrogen conversion into cities and towns. Secondly, Hydrogen Park Gladstone will deliver a 10% renewable hydrogen blend to the entire gas network in Gladstone, Queensland.

Looking Forward to 2020

After what has been a year full of activity in 2019, 2020 is set to deliver further positive outcomes for our customers.

During 2020 we will finalise our five year regulatory plan for the DBNGP and submit our Final Plan for the South Australian gas network to the Australian Energy Regulator for consideration.

The construction of the Pluto-to-North West Shelf Interconnector will certainly be a highlight and further demonstrate our important role in the Western Australian energy landscape.

Finally, I am looking forward to operations beginning at HyP SA in mid-2020. This project is an Australian-first in the production of renewable hydrogen and should set the benchmark for the Australian energy industry.

As I write this, we are entering challenging times with the COVID-19 outbreak. However, we do so from a position of strength and we will continue to deliver for our customers and support each other as employees.

Ben Wilson
Chief Executive Officer



Highlights

A snapshot
of our
achievements
in 2019

Delivering For Customers

PUBLIC SAFETY



Best Ever Leak Response

99% of leaks responded to within the targeted timeframes

DBNGP Pigging Complete

With no major faults or weaknesses detected

Zero Tier 1 and Tier 2 Safety Events

On the DBNGP

RELIABILITY



4,365+ Days

Without an outage on the DBP mainline



Brisbane River Crossing Complete

Providing a secondary source of gas supply to our Brisbane network, increasing the security of supply to customers

CUSTOMER SERVICE



Best Ever Customer Satisfaction

DBP Customer Satisfaction

7.2 **8.4**

2018 2019

AGN + MGN Customer Satisfaction

7.5 **8.1**

2018 2019

Published our First Energy Charter Disclosure Report

After joining as a founding member in 2018

Delivered our Online Engagement Portal: Gas Matters

Enabling 24/7 engagement for our customers and stakeholders

Tubridgi Gas Storage Expanded to 57PJ

Delivering flexible energy solutions to our customers

A Good Employer

HEALTH AND SAFETY



Zero Harm on the DBNGP

More than 24 months without a recordable injury



Culture Models Introduced

Taking a proactive approach to safety by tracking lead indicators

EMPLOYEE ENGAGEMENT



Senior Management Team Established to Support the Existing Executive Team

Engagement Action Plan Initiated

Responding to actions from our employee engagement survey

SKILLS DEVELOPMENT

One AGIG Technical Training Framework Established

ENVIRONMENTALLY AND SOCIALLY RESPONSIBLE



Government Backing to Establish the Australian Hydrogen Centre

To progress our zero-carbon future

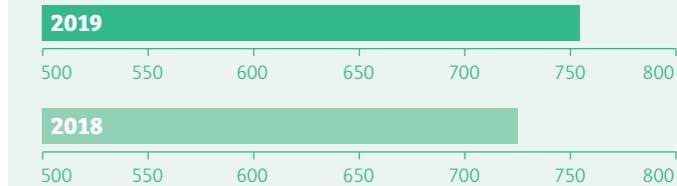
1,500+ Carbon Free Kilometres Driven in our Hydrogen Car

Sustainably Cost Efficient

INDUSTRY BENCHMARKS

Earnings

\$760 million Earnings Before Interest and Tax, up from \$729 million in 2018



Submitted our Five Year Plan for the Dampier to Bunbury Natural Gas Pipeline

PROFITABLE GROWTH



30,800+

New Customers Connected (net)
Continued strong growth



Pluto-to-North West Shelf Interconnector Project

Design, construct & operate contract awarded to AGIG by Woodside

Construction at our Australian-first Hydrogen Park South Australia Renewable Gas Project Begins

Green Light for Hydrogen Park Gladstone

Awarded funding to decarbonise the Gladstone network

DBNGP Feasibility Grant Award

Assessing our ability to inject zero-carbon hydrogen into the DBNGP

About AGIG

AGIG has over two million customers across every Australian mainland state and the Northern Territory, 34,600km of distribution networks, 4,400km of gas transmission pipelines and 57 petajoules of gas storage capacity. We are currently constructing Australia's largest renewable gas production facility.

2+ million

Distribution customers as at 31 December 2019

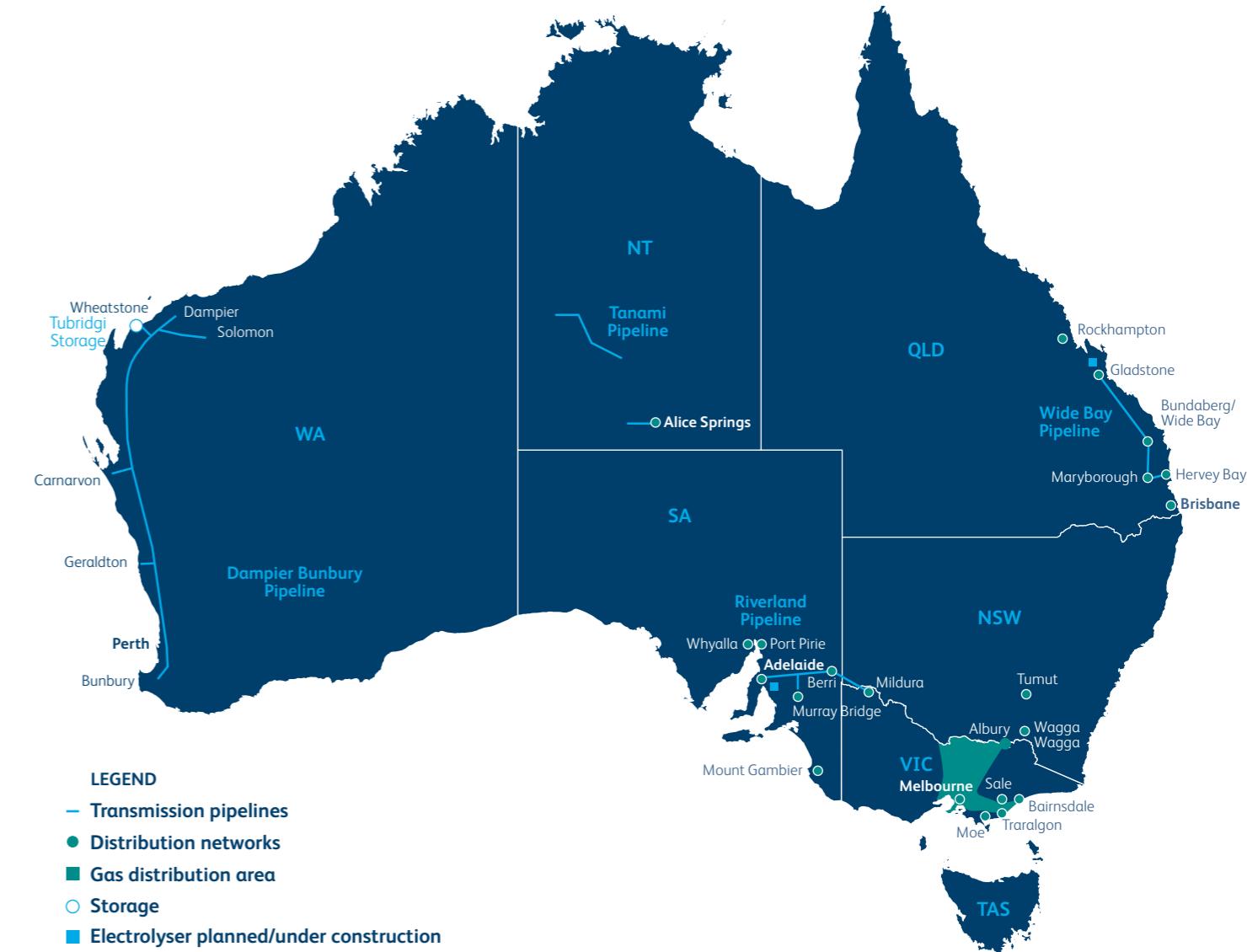
VIC (MGN)	711,484
VIC (AGN)	697,609
SA	458,020
QLD	105,878
NSW	59,942
NT	1,149
TOTAL	2,034,082



Regulated Asset Base of \$8.5bn

- WA 40 %
- VIC (AGN) 19 %
- VIC (MGN) 15 %
- SA 20 %
- QLD 6 %
- NSW 0.5 %

Note: Totals may not add due to rounding.



Our strong customer trajectory continued in 2019 with an additional 30,800 net new gas connections across Australia. Keeping customers at the forefront of our vision, we also dramatically improved our customer satisfaction scores resulting in our best ever year to date.

Major projects have underpinned our commitment to reliability and future-planning. In 2019 we increased the storage capacity at Tubridgi by over 10PJ and began construction on our Australian-first renewable gas project, Hydrogen Park South Australia.



South Australia

- 458,020 customers
- 17GJ per annum average residential consumption
- 90%+ penetration
- Distribution 8,180km
- Transmission 481m

Queensland

- 105,878 customers
- 8GJ per annum average residential consumption
- 30%+ penetration
- Distribution 3,090km
- Transmission 314km

Victoria

- 1,409,093 customers
- 51GJ per annum average residential consumption
- 90 % + penetration
- Distribution 21,448 km
- Transmission 503km

Northern Territory

- 1,149 customers
- Distribution 38km
- Transmission 601km

New South Wales

- 59,942 customers
- 38GJ per annum average residential consumption
- 90 % + penetration
- Distribution 1,997km
- Transmission 85km

Western Australia

- 37 shippers
- Transmission 2,337 km
- 57PJ gas storage

Note: Penetration rate is an estimate of the percentage of homes connected to the gas in areas served by our networks

Our Values

They drive our culture: how we behave and how we make decisions.



Perform

We are accountable to our customers and stakeholders, we are transparent on our performance and we deliver results. We continuously improve by bringing fresh ideas and constructive challenge.

Our Vision

To be the leading gas infrastructure business in Australia. We achieve top quartile performance on our targets.



Delivering for Customers

Public safety
Reliability
Customer service



A Good Employer

Health and safety
Employee engagement
Skills development



Sustainably Cost Efficient

Working within industry benchmarks
Delivering profitable growth
Environmentally and socially responsible



Trust

We act with integrity, we do the right thing, we are safe guardians of essential Australian infrastructure. We act in a safe and professional manner.



Respect

We treat our customers and our colleagues the way we would want to be treated, and we embrace and respect diversity.



One Team

We communicate well and support each other, and we are united behind our shared vision.

Our Role in the Gas Industry

We deliver for customers across the gas supply chain serving the needs of producers, major energy users, and residential and business users.

AGIG's Services

We design, construct, operate, maintain and manage gas infrastructure.

Our **transmission pipelines** deliver gas from processing facilities across Australia to the end users where it is used for power generation, mineral processing, manufacturing and distribution networks.

Our pipeline facilities also include odourisation plants which give natural gas its distinctive smell. At times we use compressors to assist gas flow through the pipeline.

Our **Tubridgi gas storage** facility provides gas producers and gas users with the ability to insure against outages and boost energy security.

Our **power generation facilities** provide power at our sites in some of the most remote regions in Australia.

Our **distribution networks** deliver gas directly to homes and business customers, providing essential energy for hot water, heating and cooking for over two million customers.

We are the largest gas distributor in Australia with networks across the country.

Our **renewable gas facility** Hydrogen Park South Australia will begin production in mid-2020. We will supply this renewable hydrogen blended with natural gas to around 700 customers.

Our Hydrogen Park Gladstone facility received funding in early 2020.

We maintain and read over **2 million gas meters** in homes and businesses across Australia.

AGIG Services



The Gas Supply Chain

The process in which gas is produced and used; from the field to users.

Production and processing

Onshore and offshore gas fields are drilled to access gas reserves and gas is processed to specification.

Transmission

Transmission pipelines are large high-pressure pipelines which carry gas from the gas fields/processing plants to key markets (large users and distribution networks). At the end of transmission pipelines pressure is reduced before it enters the distribution network.

Storage

Gas storage facilities are used to manage fluctuations in gas demand.

Large users and power generation

Most large gas users such as industrial facilities and power generators connect directly to transmission pipelines to source gas for their operations.

Distribution

Gas from transmission pipelines is distributed via a network of lower pressure pipelines in towns and cities to customer sites.

Renewable gas

The gas sector's vision for the future includes supplying renewable/carbon-neutral gas to customers. Biomethane and renewable hydrogen facilities are currently under construction across Australia, with first renewable gas injection in to distribution networks expected in 2020.

Retail

Residential, business and industrial customers buy gas from retailers. Retailers contract with gas producers, gas transmission pipelines and gas distribution networks to enable supply to customers. Retailers bill customers for providing these services.

Our Project Capabilities and Credentials



Expertise

We are the experts

With over 30 years of experience building and operating gas pipelines, gas infrastructure and gas fired power generation and 150 years experience in gas distribution, the AGIG team delivers a portfolio of construction and operating services to existing and new customers.

We can also deliver infrastructure solutions that support the development of hydrogen and other renewable energy solutions. We are already undertaking significant work to ensure that our existing and new assets are ready and capable to deliver hydrogen - a carbon neutral gas - to customers in the future.



Customer Solutions

We deliver leading outcomes for our customers

We build long-term strategic relationships with customers to deliver reliable operating assets in a safe manner with flexible commercial terms.



Leaders in Construction and Operation

We construct and operate world-class infrastructure

We provide innovative and tailored customer solutions supported by experienced in-house project management capabilities. Our significant gas pipeline and gas plant infrastructure engineering and construction experience can see projects from initial planning to successful project delivery.

We have in-depth knowledge of legislation and regulatory requirements across Australia, including for both the construction and operation of gas pipelines, and hydrogen and renewable gas infrastructure.

Customer Solutions

We work in partnership with our customers to develop innovative and tailored solutions. Our focus is on listening to and understanding our customers' needs, ensuring we add value for our customers.

We have successfully achieved positive outcomes for customers by delivering

projects on time and within budget. Our flexibility in taking a long-term view of assets makes it easier for our customers to deliver sustainable and profitable operations. Partnering with our customers, consistent with our one-team value, is an important part of what we do.

We continuously review our construction, operational and maintenance practices to ensure that what we deliver is optimised and lowers the lifecycle costs of energy for our customers. The close relationships we have developed with key partners and suppliers results in fit for purpose solutions for our customers.

Our Expertise

We have a long history of gas infrastructure ownership and operations with approximately 34,600km of natural gas distribution networks and over 4,400km of transmission pipelines across Victoria, South Australia, Queensland, New South Wales, Western Australia and the Northern Territory.

We own and operate a 57PJ gas storage facility in Western Australia. We own and remotely operate more than 220MW of gas-fired turbines used for gas compression, together with gas reciprocating engines providing remote power to compressor stations.

Gas-fired power generation works together with renewable energy to optimise the cost of electricity for remote mining operations. We are involved with

multiple projects where renewables with batteries complement gas solutions to deliver better financial and operational outcomes for our customers.

Renewable gas is a key part of Australia's low carbon future. At AGIG, we're investing in the long-term interests of our customers and the environment. Our Australian-first renewable hydrogen production facility Hydrogen Park South Australia is already under construction and we have funding to proceed with a second project Hydrogen Park Gladstone in Queensland.

We are experts in the design, construction and operation of gas pipelines, gas distribution networks, gas storage facilities, hydrogen infrastructure, gas-fired turbines (for compression) and

reciprocating gas engines (for power). This, combined with our state of the art Control Room, provides the capability to build and operate any gas or hydrogen infrastructure facility in Australia.

We have in-depth knowledge of legislation and regulatory requirements across Australia including for both the construction and operation of domestic gas pipelines. This includes the safety management and environmental planning that underpins safe and socially responsible operations. We also have significant experience and developed relationships with landowners and Aboriginal and Torres Strait Islander communities to assist with development and land tenure approvals.

Leaders in Construction and Operation

To achieve this, we rely on our in-house engineering expertise and project management systems to bring together and manage suppliers and partners from around the globe.



We can design, build and operate infrastructure, from the wellhead to the customer meter, in midstream, transmission, distribution and power generation.



Newmont Corporation

Project

To serve Newmont Corporation's Tanami operations we built, and now own and operate, a 440km, 8-inch pipeline located in the Northern Territory connecting the Amadeus Gas Pipeline to the Granites and Dead Bullock Soak power stations.

Execution

We completed the Front End Engineering and Design (FEED) and detailed design, secured the best price and managed Quality Assurance/Quality Control of the line pipe procurement, achieved record pace approvals resulting in the delivery of the pipeline in less than one year to our customer, ahead of schedule, under budget and with no lost time injuries. The project was commissioned in February 2019.

Tubridgi Gas Storage Expansion

Project

To enhance the capabilities of wells and processing facilities at the Tubridgi Gas Storage Facility, we have undertaken a project to redefine the storage capacity of the underground gas reservoir.

Execution

We completed a seismic survey that used the latest technology and data processing to produce detailed 3D mapping of the underground reservoir located approximately 550m below the Earth's surface. Our in-house reservoir and well engineering team utilised the 3D mapping and data to redefine the maximum storage volume of the Tubridgi Reservoir from 42PJ to 57PJ. Our team undertook additional assessments of operational data and technical information to debottleneck the gas processing facilities. The debottlenecking project successfully increased the injection and withdrawal capacity of the Tubridgi Gas Storage facility to 90TJ per day injection and 60TJ per day withdrawal.

Woodside Energy - Pluto Inlet Station

Project

To enable the Pluto Gas plant to serve Western Australia's gas needs, we built, and now own and operate the Pluto domestic gas inlet station located on the Burrup Peninsula, including a compressor installation with a capacity of 25TJ per day.

Execution

We completed FEED, detailed design, procurement of materials and provided construction management from fabrication to punch-listing. Project commissioned in December 2018.

Woodside Energy - Pluto Interconnector

Project

AGIG has been awarded the contract to construct a 30-inch, 3km gas pipeline that connects Woodside's Pluto Liquefied Natural Gas (LNG) Plant to the North West Shelf LNG plant. This provides the customer with operating flexibility and supports the development of potential new offshore gas projects.

Execution

AGIG completed FEED and will use the experience of our internal engineering team to complete this project.



Engaging on the **Tanami Pipeline Project**

440km
of gas pipeline

Landholder and Stakeholder Consultation in Practice

In 2019, we successfully completed construction of the 440km gas pipeline transporting natural gas to Newmont Goldcorp's gold mining operations in the Northern Territory's remote Tanami desert.

It was well recognised that stakeholder engagement was critical to the success of the project. Utilising our in-house land management team, we successfully navigated through complex legislative and regulatory frameworks, engaging with numerous Territory and federal regulators and government agencies including the Central Land Council representing three native title groups and five Aboriginal Land Trusts, statutory authorities protecting sacred sites, a number of pastoral landowners as well as local service providers.

An important part of our approach to engagement is working closely with the local community. We partnered with MPC Kinetic to provide local employment and contracting opportunities where possible during the project, which were integral to obtaining our social license to operate. We provided employment and training to approximately 50 members of the local indigenous community and injected more than \$26 million into the local economy by using local suppliers for goods and services.

We also identified opportunities to benefit and support local infrastructure, employment and services over the lifetime of the project such as:

- Providing a financial contribution to Department of Infrastructure, Planning and Logistics for road improvements to the Tanami Road;
- Selecting local suppliers for the major component of the project such as the camp provider and pipe transport logistics;
- Sponsoring the Women's Law and Culture Meeting hosted by the Pintubi and Pintubi/Luritja women of Haasts Bluff, Papunya and Mt Liebig Communities;
- Sponsoring the Alherramp Illewarr Mamp Arrangkey Tywerl Aboriginal Corporation, WALA Aboriginal Corporation and Ngalyia Aboriginal Corporation to attend the Prescribed Body Corporates Regional Forum in June 2019;
- Entering into long term accommodation and facilities arrangements at Tilmouth Well Roadhouse with Ngurratjuta/Pmara Ntjarra Aboriginal Corporation;
- Providing a financial contribution to the construction of a public playground at Tilmouth Well Roadhouse with Ngurratjuta/Pmara Ntjarra Aboriginal Corporation; and
- Continuing financial support for the Central Land Council's ongoing engagement with the project.

These initiatives not only recognise our appreciation for the collaborative success achieved with stakeholders of the project, but more importantly secure long-term relationships in the regions we work in.

An important part of our approach to engagement is working closely with the local community. We provided local employment and contracting opportunities where possible.



Tilmouth Playground



Tanami Art Initiative



Delivering for Customers

Customers are
at the heart of
our business.



Public Safety and Reliability

The core elements of what we deliver are safe and reliable energy services.

Distribution

Across our distribution networks, 2019 has seen a record high leak response rate. The AGIG networks within Queensland and New South Wales delivered a 100% response rate several times across the year. MGN has continued to deliver an above target performance, achieving a 100% response rate in September.

We have maintained consistent performance in leak repairs across the business, repairing 98% of priority (Class 1 and Class 2) gas leaks within the target time frame; 99% of leaks repaired within targets for the AGN networks and 95% for MGN.

Across Australia there were only 52 unplanned interruptions impacting five or more customers on our networks (36 at AGN and 16 at MGN), continuing our high levels of reliability. The majority of interruptions on the AGN network can be attributed to third-party damage or upgrade projects. MGN has seen relatively high rainfall resulting in water ingress on our older mains causing interruptions to services.

MGN is working through a number of actions over and above the mains replacement work taking place across the network over the hotter and drier months to improve reliability.

At AGN, our distribution network operations are delivered by our contractor APA Group. We thank APA Group for strong performance over 2019.

Replacing older mains at the end of their useful lives is one of our key work programs. It ensures we can continue to deliver gas safely and reliably to our customers.

Both MGN and AGN continued to deliver strong mains replacement programs in 2019. MGN achieved its target of 128km of low-pressure mains upgrades. Overall AGN achieved its target, however in Victoria AGN fell short of its target due to an increased focus on replacing mains within the Central Business District (CBD), to ensure the 25km program is completed within this 5-year Access Arrangement period.

Construction was completed on a new pipeline underneath the Brisbane River. The 1.84km pipeline, including 930m running underneath the river, eliminated the single asset risk and provides surety of long-term natural gas supply to more than 80,000 north Brisbane customers. The project - which was successfully constructed within a heavily built-up environment, with complex directional drilling across the river and negotiations with key landholders - was commissioned in November 2019.

We deliver for customers by focusing on customer service, public safety and reliability.



Transmission

On our transmission assets, the safety of the pipeline is focused on preventing events that may cause a fatality or serious injury. The reliability of our assets is maintained by ensuring pipelines have the capacity and compression available to meet the needs of our customers.

For our transmission pipelines in Western Australia, there were no curtailments of contracted capacity in 2019 and system availability was 100%. We met the expectations of our customers, delivering a safe, reliable and secure source of energy. This is key for the DBNGP given its important role in linking critical industries throughout the state with gas suppliers in the north-west. Over 90% of gas transported is delivered to large customers along the pipeline. Natural gas fuels approximately 50% of the state's electricity generation – keeping the lights on in Perth and the south west interconnected electricity system.

The Dampier Bunbury Pipeline has run without interruption for more than 12 years - the last unplanned outage was in February 2007.



DBP Pigging

The health, safety and integrity of the DBNGP was confirmed in 2019, with the successful completion of a full pigging program for the length of the pipeline. As required by our Asset Management Plan, we completed 'In-Line Inspection' of the DBNGP using Pipeline Internal Gauging Tools, otherwise known as 'pigs'.

Selected gauging tools, including intelligent pigs, are launched into the gas stream of the pipeline to identify and measure any irregularities or anomalies in the integrity of the pipe itself, without interrupting gas supplies.

The pigging program gave the pipeline a clean bill of health. This program was also delivered with zero safety incidents.



The Energy Charter

Following the establishment of the Energy Charter in 2018, reporting on progress against the charter's principles began in 2019. The heart of the charter is a commitment to put customers at the centre of our business; something AGIG has focused on and reported against since 2015 through our Vision.

Our Energy Charter Disclosure Report was designed to be an open and honest portrayal of our performance, with a commitment to continuous improvement with customer interactions and engagement and striving to deliver better outcomes across the business for our customers.

The report released by the Independent Accountability Panel in December detailed recommendations and thoughtful analysis as an overarching ambitious roadmap for the world-first CEO led initiative.

You can see our report here:
agig.com.au/the-energy-charter

"The heart of the Energy Charter aligns perfectly with the core element of our Vision: to Deliver for the Customer"

Ben Wilson, CEO AGIG

Customer Service

We have achieved our best ever customer satisfaction in 2019.

In 2019 we achieved our highest ever scores for customer satisfaction for both our transmission and distribution assets.

Customer satisfaction with our gas transportation services on the DBNPG was 8.4 (out of 10) up from 7.2 in 2018, reflecting our strong commitment to deliver for our Western Australian customers by providing tailored, responsive and flexible services.

At AGN and MGN, customer satisfaction is tracked through an independent service provider using monthly surveys on planned interactions, unplanned interactions and new gas connections. We were the first gas distribution business to implement this process when we started three years ago and are pleased to see other gas utilities join us in this approach.

Across both AGN and MGN distribution networks, the aggregate customer satisfaction score was 8.1 compared to 7.5 the previous year, which is a pleasing uplift in service experience. These results reflect that we have listened and responded to customer feedback with tangible improvements. For example, we collaborated with service providers and key stakeholders such as energy retailers to create new processes and improved communications. Through this, we increased customer satisfaction for new connections at MGN from 5.0 in 2018 to 6.6 in 2019.

We deliver for our customers by providing services like connections and meter repairs within appropriate timeframes and responding to customer calls.

8.1 / 10
customer satisfaction score
at AGN and MGN

(aggregate up from 7.5 in 2018)

8.4 / 10
customer satisfaction score at DBP

(up from 7.2 in 2018)



In 2019 we responded to 94% of emergency calls within 10 seconds at AGN and 90% at MGN. A strong performance for both businesses, either above or in line with our target performance of 90%. The MGN performance was particularly pleasing, representing a significant improvement from 2018 (81%) driven by a change in service providers from the incumbent to the National Response Centre in March 2019 to align with the AGN business.

For non-emergency customer service calls we responded to 89% (AGN) and 92% (MGN) of calls within 30 seconds, up from 86% (AGN) and 76% (MGN) in 2018.

During 2019 we connected approximately 30,800 net new customers, continuing the strong customer growth we have seen in recent years. With steady new home construction in the eastern states, connection rates for new homes remains very high, demonstrating how Australians continue to value the benefits of natural gas.

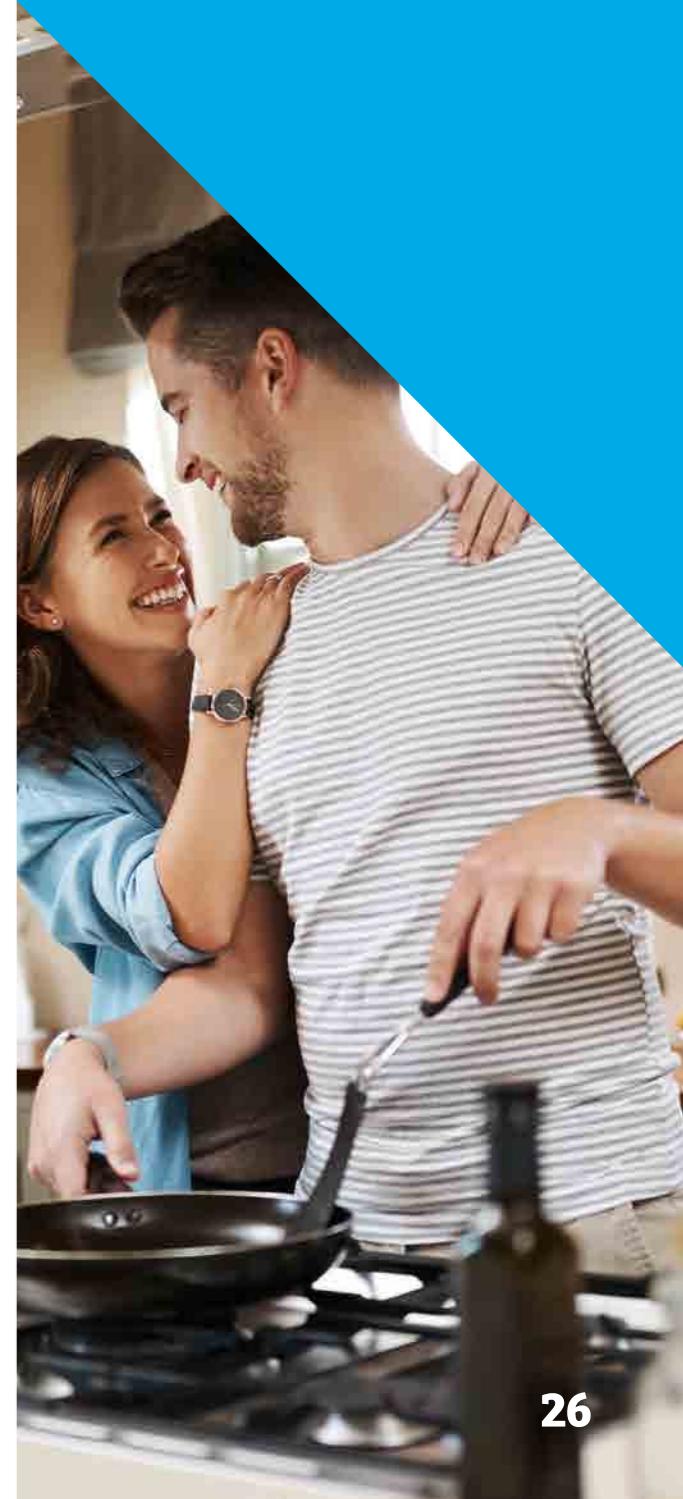
Our Voice of the Customer Research Program continued into its second year, providing regular insights from customers and stakeholders around energy preferences and customer service expectations, and how they are changing over time. The program has provided verified insights into a range of concerns from our customers and support partners such as gasfitters, builders and appliance retailers.

83%
of residential customers are satisfied or highly satisfied with using natural gas

Voice of the Customer Program

30,800
net new connections

The high rates of new customers connecting to our gas networks demonstrates that Australians continue to value the benefits of natural gas.





We refined our media for the most efficient channel mix and to improve awareness and targeting.

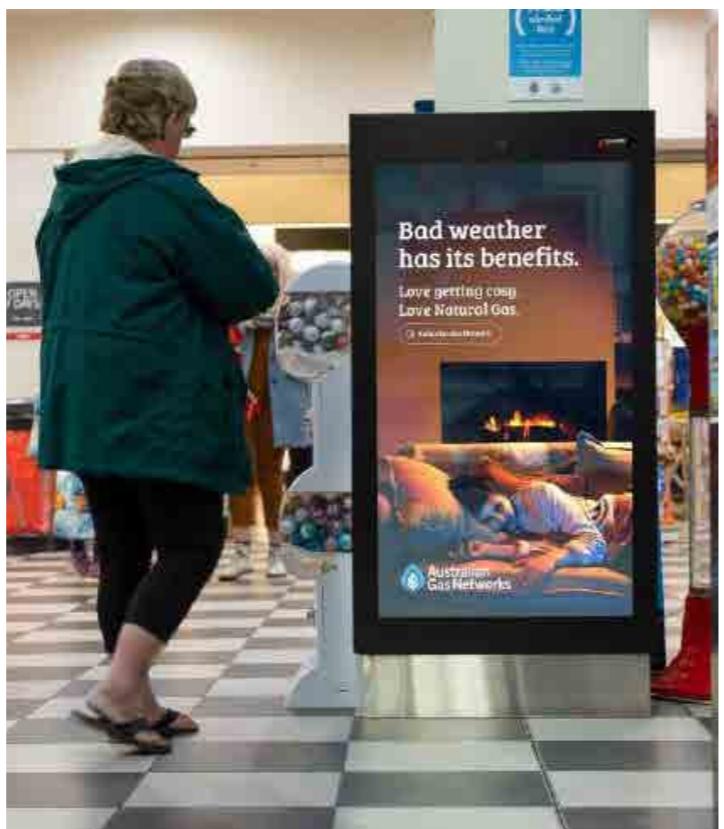
Love Winter, With Natural Gas

This year we built on the success of our 'Love Winter' marketing campaign by focussing on a refined media channel mix and more targeted messages on the functional benefits of gas in the home.

These were introduced through a series of short animated videos, with informative communications aimed at new and existing homeowners that may be considering additional appliances.



In 2019, we, along with other natural gas distribution companies across Australia, including Jemena, AusNet, TasGas, AllGas, ATCO and EvoEnergy, supported Energy Networks Australia's sponsorship of the popular television show, 'The Block'. The home renovation show provided a great opportunity to demonstrate modern, innovative natural gas appliances and how they add value to homes.



Customer Profile

Bernard and his wife have lived in their Thurooona home for 10 years and appreciate the reliability and low-cost option of natural gas. Their home is fitted with gas under-floor heating, gas hot-water and a gas cooktop.

"We only have the two of us living here, and our two Golden Retrievers who love the under-floor heating, so staying warm and comfortable is important to us."

With average temperature lows between 2 - 4 °C in winter, a small rural town just outside of Albury in NSW can be awfully chilly for those who call it home. Reliability of effective heating is therefore very valuable in the cooler months.

"When we lived in Melbourne we had under-floor gas heating and were very happy with it there, so we had it put in here when we came to live in Thurooona", he said.

"The supply of gas is very reliable, we haven't had any problems at all".

For the 90 year old and his wife, the price of energy is definitely a consideration for their household usage.

"We have solar panels on the roof to help with the electricity bills but we don't have any storage for electricity. But with the gas, it's really nice to have instant and continuous hot water – we've never had any issues with the supply and always been able to have hot showers".

"During winter, we turn the heating on first thing in the morning when the dogs wake us up, and don't turn it off until we go to bed at night".

"We've made sure that we've had our under-floor heating checked and serviced every year which has been good. We've never had any issues with it but wanted to make sure it's working efficiently".



Client

Bernard and Jean,
Residential customers

Location

Thurooona, NSW

Asset

New South Wales
Distribution Network



Our AGN website is a key communication channel to support our customer and media communications. Customers now have a range of informative and lifestyle content to help them in making a decision on energy sources.



Digital Channels

We understand that reaching our customers through channels that are convenient for them is an important factor in their overall experience. By investing in smart and engaging digital platforms, we're able to reach all sectors of our customer mix. With this in mind, in 2019 we delivered a new corporate website, a new stakeholder engagement platform and upgraded our customer connection portal.

AGIG Website Launched

2019 saw a major revamp of the AGIG corporate website, creating an engaging, informative and sophisticated webpage for the group. The site features an outline of AGIG's Corporate Capabilities, snapshots of projects across DBP, MGN and AGN, and useful resources for visitors seeking information on the group as a whole. As an important tool for business development, visitors to agig.com.au have steadily grown since its launch in June.

Connecting with our AGN Customers

Our AGN website continues to be a key communication channel to support our customer and media communications. Customers now have a range of informative and lifestyle content to help them in making a decision on energy sources.

We have also upgraded our customer connection portal which provides energy retailers and builders with the ability to complete connection requests for new homes online.

AGN Website Visitors



New Digital Engagement Platform

We launched a new online engagement platform this year, Gas Matters (gasmatters.agig.com.au) to allow customers and stakeholders to interact and engage with us using the latest digital technology. The web portal also offers discussion forums and online surveys, access to our engagement resources, upcoming events, meeting minutes and reports, educational resources and publications.

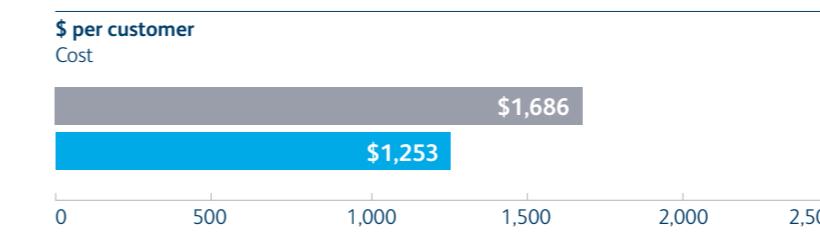


Price and Emissions

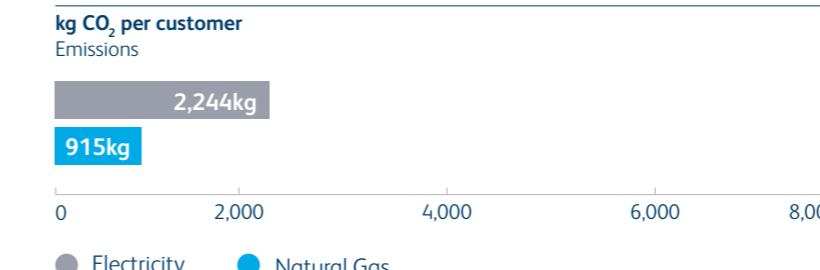
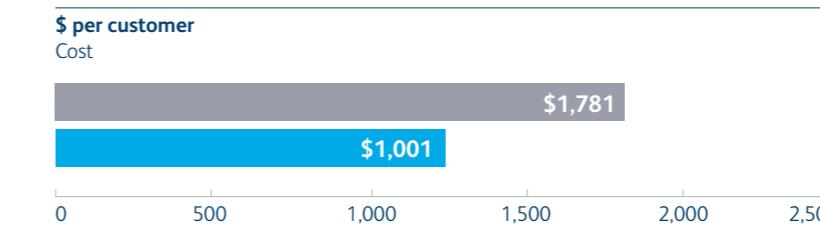
We know price is important to our customers, and we continuously focus on providing affordable energy solutions.

Analysis shows gas continues to be a lower-cost and lower-carbon choice for our customers, which has also been reflected in our Voice of the Customer program and Stakeholder Engagement results.

Victoria



South Australia



Note: Comparison of annual running costs for natural gas and electrical appliances are based on average household consumption in Melbourne and Adelaide, using Origin Energy standard tariffs as of 1 January 2020. Emission comparisons are calculated using the Department of the Environment and Energy, National Greenhouse Accounts Factors Report July 2019.

Through our engagement at customer workshops, we know price is important to our customers. Because of this, we see it as important to support our customers by focusing on providing affordable energy solutions.



A few highlights from 2019



We lodged our five year plan for the DBNGP on 2 January 2020, which was built on extensive stakeholder engagement activities



We worked closely with important customer groups to better understand their specific needs, in particular CALD (culturally and linguistically diverse) and vulnerable customers



Through 25 interactive customer workshops and stakeholder meetings across metropolitan and regional South Australia, we gained important insights and input into our Draft Plan (July 2021 – June 2026)



We launched a new online engagement platform, Gas Matters gasmatters.agig.com.au



We actively engaged with communities across Australia on hydrogen as a future fuel

Customer and Stakeholder Engagement

Engaging with customers and stakeholders is an important part of how we operate our national business, from day to day service delivery to preparing plans for the future.

Our customers and stakeholders want us to deliver reliable, sustainable and affordable energy solutions. By taking the time to listen and understand customer needs, we can align our services and investment with customer expectations. We also use customer and stakeholder feedback as part of improving our services every day.

Our engagement activities are directly linked to and formalised in our business planning processes. This ensures our plans and regulatory proposals deliver tangible benefits that align with what our customers value most, both today and in the future.

In 2019 we increased our engagement efforts, engaging with more customers and stakeholders than we ever have before, and delivering engagement activities in new and innovative ways.



Customer workshops in Adelaide and the Barossa Valley meant we could hear directly from customers about what is important to them

Customers at the Centre of our Planning in South Australia

We are currently planning future investment priorities for the South Australian gas distribution network out to 2026 and our engagement program is well underway.

We ran two rounds of customer workshops in 2019, with 15 sessions in total across regional and metropolitan South Australia.

Key topics of interest were price and affordability, environmental sustainability, innovation and improving the digital customer experience.

Two stakeholder reference groups also guided and informed our planning:

- ✓ The South Australian Reference Group consists of stakeholders representing the diversity of our customer base, such as: residential customers, vulnerable customers, older Australians, multicultural communities, business and industrial customers, builders and developers, and local government; and
- ✓ The Retailer Reference Group consists of representatives from gas retailers.

Our program in 2019 included other engagement activities such as a major user survey, one on one stakeholder meetings and online engagement.

"I was very impressed with the stakeholder engagement session. The way it was run, the fact that the CEO presented and spoke with us, that the engagement team were present and contributing, the types of stakeholders around the room".

Local Government Association of South Australia

"I gained a lot of confidence that AGN can deliver against what they say."

Customer workshop participant
From Westbourne Park in South Australia



Co-creating our Future Plans in 2019

100% leadership buy in

with one or more representatives from the Executive team actively involved in all stakeholder engagement activities

22 interactive engagement workshops

with distribution and transmission customers across Australia to shape our future plans

99% positive feedback

from customers about how we engage and run our customer workshops

3,820 customers and stakeholders

actively participated in our Voice of Customer Program

24/7

online engagement

now available via Gas Matters open to all customers and stakeholders



9 social service sector stakeholders



partnered with us to develop new ideas on how AGN can better support vulnerable customers now and in the future

10 stakeholder and retailer reference group meetings



resulting in direct influence on our future plans

50,000+ attendees and



10,000+ sausages



cooked at community events on our hydrogen barbecue

Engaging with customers to improve our day to day services

3,493 customers

across Western Australia, South Australia and Victoria gave us helpful feedback as part of customer satisfaction tracking



700+ letters to customers

in preparation for delivering a renewable gas blend to their homes in 2020



15,000+ customers

got real time information about gas availability in their area using our online service



15,276 phone and email conversations

with customers via our call centre



3,100+ customers

have helped shape our marketing campaigns





Burra Brewing Co., Victoria

Customer Profile

Gas brews business success

Gas' reputation as being efficient made it the energy source of choice for burgeoning Victorian beer brewers, Burra Brewing Co.

Client
Burra Brewing Co.

Location
Korumburra, VIC

Asset
Victorian Distribution Network

"The Multinet team were excellent and it wasn't too long before gas was connected to the property without delay. They more than delivered on their promise."

What started as a joke during a round of golf then became reality for Phill and his two business partners, when they opened the doors to Burra Brewing Co in August 2018, three years after they had first discussed the idea.

Owner and head brewer Phill Dempster said the credentials of gas and Multinet aligned well with the brewery's brand ethos.

In Korumburra in Victoria's South Gippsland, the brewery became Phill's full-time job when he left his career in logistics to convert a run-down garden supplies warehouse into one the region's premier tourist attractions.

"From settlement of the property, it took about six months of working seven days per week before we were ready to open the doors," Phill said.

"Korumburra is a small town of about 5,000 people with a main highway

that runs through the main street.

"We try to do everything green where we can, when we can, and the best we can. The environmental considerations of gas as an energy source played a large part in our decision making when we were designing our production and retail facility."

"We needed to get gas from the middle of the street to the front of the property before our plumber could take over and get the property ready for brewing. It was a pretty seamless process considering just how major a project it was."

"We had to get approval from VicRoads to close parts of the South Gippsland Highway for the day we were connecting the main gas supply to the property."

"The Multinet team were excellent and it wasn't long before gas was connected to the property without delay. They more than delivered on their promise."

We chose gas based on the efficiency. Gas runs better in the brewhouse and can be much cheaper than electric boilers."

Phill says they opted for more gas capacity than they needed.

"Gas is very versatile, so we have built in contingencies to allow for future growth or expansion of the facility," he said.

"We have put in provisions for gas heating because it can get really cold during Melbourne's winter inside an old warehouse. We've also got more than 100 square metres of entertaining space to heat for guests."

All of the microbrewery's natural, handcrafted beers are brewed on site. Burra Brewing Co is embracing sustainability by offering refillable growlers and squealers (bottles used to transport beer), to minimise the use of unnecessary packaging.



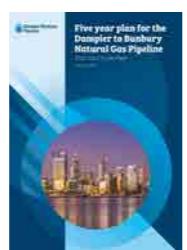
Western Australians Shaped our Future Plans for 2021 – 2025

We introduced a formal customer and stakeholder engagement program for the DBNGP, a first for the business, expanding on our pre-existing strong relationships.

Over 18 months, commencing in June 2018, we engaged extensively with customers and other stakeholders to help shape and inform our plans. During 2019 we held seven engagement sessions with our customers, called Shipper Roundtables, to enable their direct input into all aspects of our plans. Engagement levels were high, with attendance more than doubling over the series of sessions.

"We were appreciative of Roundtable discussions including the format, openness, content and the opportunity to provide input into decisions or positions as they occurred - and that a no surprises objective had been achieved."

(Source: KPMG Customer Engagement Report December 2019)



We published a Draft Plan in May 2019, providing an additional opportunity to share our proposed plans more broadly and seek feedback on our submission to the Economic Regulatory Authority (ERA). Our Final Plan—formally known as our proposed revisions to the DBNGP Access Arrangement—was submitted to the ERA on 2 January 2020.

Working Collaboratively to Better Support Vulnerable Customers

We ran a series of three co-design workshops in November 2019 to help identify new ways we could support vulnerable customers, both now and in the future. We brought together key stakeholders from the social service sector and the energy supply chain to develop potential solutions. A fourth workshop will be held in early 2020, and we will look to implement identified actions as soon as practicable.

In the Community

We attended community events across the country to meet with the broader public and discuss our role in the gas network, our services and the future of gas.

As an example, as part of ScienceAlive! we partnered with the local Rotary Club to cook a hydrogen barbecue at a community open day at the Tonsley Innovation District in Adelaide with proceeds raised going to a very worthy cause; Foodbank, fighting hunger by providing meals for 710,000 vulnerable Australians each month.



Discussing the future of gas with the community



AGIG staff talking with customers at the Hysafe Conference

Growth and Major Projects

In 2019, we continued to deliver new projects for customers across the country.



Tubridgi Gas Storage Expansion

The expansion of AGIG's largest storage facility will maximise the value of the existing project and increase the injection and withdrawal capacity. Beginning early 2019 with revision of the Field Management Plan and government approval, further seismic surveys identified additional storage space available. The expansion program has increased the capacity from 42PJ to 57PJ, allowing increased services for our customers.

Pluto-to-North West Shelf Interconnector

In January 2019, Woodside Energy, operator of the Pluto gas plant on the Burrup Peninsula, engaged AGIG to build, own and operate the bi-directional domestic gas meter station and inlet compressor (Pluto Inlet). The infrastructure allows deliveries of 25TJ per day to the domestic market via the DBNGP. AGIG built the Pluto Inlet in seven months with no safety incidents. Our construction team executed the technical compressor installation within the small footprint – managing the challenging environment of the Burrup Peninsula to deliver a safe and high-quality asset for Woodside.

Following the successful delivery of this project, in November 2019 AGIG was awarded the contract for the pipeline component of its Pluto-North West Shelf Interconnector. The new 30-inch diameter pipeline will run 3.2km, connecting the Woodside-operated Pluto LNG Plant to the Project's Karratha Gas Plan. AGIG will design, construct and operate the new pipeline.

Tanami Delivered

Natural gas continues to be a cost-effective and sustainable energy choice for many of Australia's larger businesses. The Tanami Gas Pipeline, 440km in length and located approximately 140km from Alice Springs, supports Newmont Corporation's Tanami goldmine operations by providing a more secure and reliable source of energy, compared to the existing reliance on diesel. In February 2019, AGIG commenced commercial operations of the Tanami Gas Pipeline. The 8-inch pipeline transports up to 13TJ per day of natural gas to the gas-fired power stations at Granites and Dead Bullock Soak, which power the Tanami gold mine in the remote Tanami desert. The delivery of this pipeline included complex planning, stakeholder engagement, existing infrastructure, utilities, pastoral, mining, environmental, Aboriginal heritage and sacred sites impacts.

AGIG, together with the pipeline constructors, managed extreme temperatures to deliver the project without any safety incidents, ahead of schedule and below budget.



Wellesley Lateral and Facilities

The Wellesley Lateral project began in April 2019 and involves constructing a short pipeline from the DBNGP in Western Australia to transport up to 16.5TJ per day of gas to Albermarle's Lithium Plant at Kemerton near Bunbury in the state's south-west. Wellesley consists of an offtake, inclusive of a remote isolation valve and a pig launcher, a lateral pipeline of 660m and a meter station.

Brisbane River Crossing

In a great demonstration of our commitment to ensure public safety and reliability whilst delivering for the customer, we worked with our contractor APA to construct and commission a secondary pipeline underneath the Brisbane River. By doing so, we eliminated the single asset risk and provided surety of long-term natural gas supply to more than 80,000 located in the CBD and in northern Brisbane. This pipeline project consisted of 1.84km of pipeline, including 930m running underneath the expansive Brisbane River – an intricate delivery model with construction considerations including heavily built-up environment, complex directional drilling across the river and negotiations with key landholders along the pipeline route. The pipeline was successfully commissioned in November 2019.

CBD Mains Replacement

At AGN we are currently completing mains replacement in the CBDs of both Adelaide and Melbourne.

These works are extremely complex. The CBD location means our teams need to consider many constraints – from peak hour traffic, to high-density residences and business access. With this in mind, we have a limited window in which to complete the works.

During 2019, we replaced 5.3kms of mains within the Melbourne CBD and 14.3kms in the Adelaide CBD which is an impressive effort. Works will continue in 2020 with a view to completing the CBD programs within the target timeframe (2022).



A Good Employer

A healthy, safe and engaged workforce form the foundation for all services we deliver to our customers.



Health and Safety

Engaged employees prioritise customer service and safe work practices, protecting the public, themselves and their colleagues from harm.

Across all of our operations, the recordable injuries per million hours worked in 2019 was 8.4 (otherwise known as the total recordable injury frequency rate, TRIFR) up from 6.7 in 2018. The increase is due predominately to a rise in slips, trips and falls and musculoskeletal injuries.

For our work on the DBNGP, we have had no recordable injuries during 2019 and furthermore no injuries for more than 24 months. Lost time injuries (LTIs) on this asset have also been zero for more than 24 months – something we'll aim to continue in 2020.

Our LTI performance improved across the Group. The number of LTIs was three in 2019, down from six in 2018.

We also implemented numerous proactive measures to improve the health and safety tracking of our people. The introduction of Health, Safety and Environment Cultural Models has been very well received by our workforce, further enhancing the focus and engagement on safety.

In 2020 our Health, Safety and Environment improvement plans and targeted initiatives will focus on reducing musculoskeletal injuries and slips, trips and falls.

Zero Harm

AGIG believes that all incidents are preventable and we are continually striving to achieve Zero Harm. To support this, we have established a set of Zero Harm Principles that target work activities where it is proven that failure to comply carries an inherent risk of fatality.

The Zero Harm Principles apply to all employees and contractors of AGIG. Adherence to them is mandatory and non-compliance may result in disciplinary action.



Confined Spaces



Driving and Remote Travel



Energy Isolation



Fitness for Work



Mechanical Lifting



Mobile Plant



Traffic Management



Work in Gaseous Environments



Excavation and Trenching



Safety Management



Working at Height

Zero Harm Workshops

In the second consecutive year of reinforcing our Zero Harm Principles within the business, 2019's Zero Harm event focused on Managing Change through Resilience and Risk. All attendees were encouraged to explore the risks and challenges they may face, and learn strategies and techniques in resilience.



AGIG Staff and Contractors attending the workshop in Western Australia.

Cultural Models Introduced

We track our safety performance using lag indicators which tell us when something has gone wrong, but to be leading we want to stop incidents before they happen. With this in mind, during 2019 we adopted Leading Indicator Cultural Models.

Our Culture Models consider a range of key performance indicators related to our health, safety and environmental objectives, with scores and weightings aligned to our vision, including:

- Effective leadership engagements: face-to-face discussions completed by senior leaders focusing on recognising and reinforcing HSE behaviours;
- Meeting actions;
- Reporting compliance;
- Field audit completion; and
- Training compliances.

By tracking our performance, we hope to identify any changes in safety culture which could ultimately result in increased risk of injury.

"When the situation changes, stop and 'Take 5'. Assess the new risks before proceeding."

Ben Wilson, CEO AGIG

780
leadership
engagements
in the field

well ahead of our target of 44



85%
survey participation

increased from 82% in 2018

Employee Engagement and Skills Development

In October, our staff completed an annual employee engagement survey to assess and measure how engaged employees feel in their day-to-day environment.

Our employee engagement score was 67% for AGIG as a whole. This was slightly down on the 2018 AGIG employee engagement survey but still a top quartile result. Participation increased from 82% to 85%.

The survey also measured employee responses against 10 key areas to establish whether actions, behaviours and outcomes are linked to AGIG's long term goals. The overall alignment score for 2019 was 59%, slightly down compared to the 2018 result of 61%.

As we integrate our businesses, improving employee engagement is a key priority. With this in mind, we have determined key actions arising from the engagement survey, which include delivering:

- a uniform IT user experience across AGIG;
- clear initiatives to better promote workplace diversity and inclusion;
- regular updates to employees on forward planning;
- non-technical training framework;
- initiatives to provide environmental and community support; and
- a simplified, online, performance review process.

Crisis Simulation Exercises

With an aim to best equip our staff and Crisis Management Teams, AGIG hold regular crisis simulation exercises. Designed to test emergency responses, exercise efficient communication and identify any shortcomings of the existing response protocols, two significant simulated crisis scenarios took place in 2019. Mimicking real-life situations directly applicable to AGIG and associated assets, teams across Australia were faced with simulated gas leaks at a public event, fertilizer plants explosions, uncontrolled fires and the release of anhydrous ammonia into the atmosphere.



AGIG Staff undertaking professional development at Gas Speak 2019

Fostering a Healthy Workplace Culture

2019 saw another year full of staff-focused activities and initiatives. AGIG strives to recognise and highlight events and programs that assist in culture building. AGIG promoted awareness through events in 2019 for International Women's Day, R U OK Day, Australian bushfire fundraising and National Tree Planting Day. Additional projects dedicated to employee engagement have also made significant progress in 2019, including large Information Technology projects to support a group-wide structure, the Employee Self-Service platform, a new format internal e-newsletter, updated onboarding and off-boarding processes, and an online performance review system.

Each year the Health, Safety and Environment team formulate an annual calendar of wellbeing activities and initiatives to encourage employees to improve their mental and physical health. Employees are encouraged to consider their own wellbeing strengths and weaknesses and to identify any opportunities for their own personal development. Social events, fitness programs, seminars and health activities are scheduled throughout the year to help staff prioritise their wellbeing.

Our staff are our most valued asset. We work within the four AGIG values which drive our culture. Staff recognition is important to maintain an engaged workforce and to promote a positive culture, therefore we take every opportunity to recognise and commend staff for their outstanding efforts.

Every month sees an award presented to staff who have 'lived the values', with nominations provided by their peers across the business. These recipients are acknowledged within our monthly internal newsletter, gifted a token of appreciation and posted on the company Intranet site. Staff who take a proactive approach to safety are also recognised and rewarded within the business, and this is communicated across all channels.



Graduate Program and Further Learning

We take pride in employing and developing young, bright and well-rounded graduates to provide them with exposure and experience within the industry. Today, a number of engineers employed by AGIG are a direct result of the graduate program, where various rotations within our Networks team provided a diverse and comprehensive understanding of functions across our business.





Perth, Western Australia

Customer Profile

Pipeline secures reliable supply

Client
Synergy

Location
Western Australia

Asset
Dampier Bunbury
Natural Gas Pipeline

Australia's longest natural gas pipeline has empowered Synergy to provide a reliable electricity supply to a million Western Australian homes and supply gas to industry throughout the state.

With around half of all energy consumption in Western Australia sourced from natural gas, the DBNGP is one of the most vital pieces of infrastructure for Synergy.

"The reliability of the DBNGP means we can run our generation portfolio efficiently to keep costs down and ensures the uninterrupted supply of electricity to all our customers," says Synergy's Fuel Contracts Manager Carole Clare.

"Without sufficient firm DBNGP transport we would be relying on spot transport for gas, which would be an administrative nightmare."

"The pipeline has provided us with vastly greater reliability since it's expansion in 2010."

Natural gas provides Synergy's gas-fired electricity production plants

with steady energy supply and plays a key role in managing fluctuations with renewable energies such as wind and solar technologies.

Large-scale coal plants cannot be simply switched on and off with ease, making it an energy source less compatible than gas-fired generation in balancing electricity demand.

AGIG and Synergy have worked together since 1984 when the DBNGP was commissioned. Since then, there have been a number of major expansions which have steadily improved reliability of supply.

"AGIG is one of Synergy's key partners," Carole said.

"The pipeline ensures we can supply and transport gas commodity very easily to end users, which are

thousands of our customers in homes and businesses across the state.

"Communication is a great strength of the relationship between AGIG and Synergy. We've been really happy with our collaboration."

Synergy is Western Australia's largest electricity generator and retailer of gas and electricity, with more than one million residential, business and industry customers. It is owned by the Government of Western Australia.



Sustainably Cost Efficient

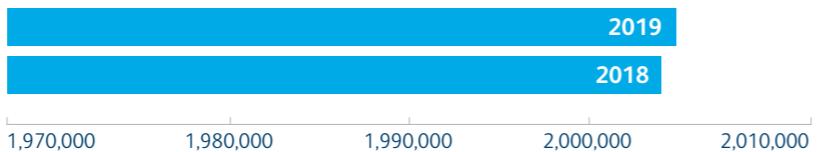
By delivering profitable growth, working within industry benchmarks, and being environmentally and socially responsible.



Delivering Profitable Growth

Growth in our customer numbers continued this year as we expanded the reach of our networks and pipelines to improve the liveability of Australian cities and regions.

Distribution Customers



The volume of gas we delivered to residential and small business customers (<10TJ) on our distribution networks also increased across 2019. This was primarily driven by colder weather experienced in the southern states and customer growth. For our Western Australian assets, the volume of gas delivered was higher than 2018 as a result of stronger than expected demand from gas fired power generation, responding to unseasonal weather and coal plant outages.

Operating Expenditure

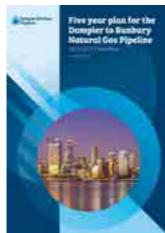
Whilst total operating costs were higher than the previous year, largely due to one-off provision adjustments, underlying operating costs continued to be tightly managed.

We achieved excellent workforce utilisation and efficiency, exceeding our targets, meaning that we are delivering our work within the allocated time and we are using our staff time well.

Capital Expenditure

AGN net capital expenditure in 2019 was \$278 million, \$28 million higher than in 2018, mainly attributable to increases in our Mains Replacement Program (MRP) expenditure and growth expenditure on inlets and mains, related to new customer connections. MGN net capital expenditure decreased by \$10 million to \$97 million in 2019. Across our distribution networks, our MRPs demonstrate our commitment to the ongoing safe and reliable supply of natural gas to our customers. In 2019, we replaced a total of 285km of mains at AGN and 134km at MGN.

At the DBP Group (DBP and DBP Development Group (DDG)) capital expenditure in 2019 was \$68 million, \$111 million lower than the previous year, primarily due to the completion of the major Tanami Gas Pipeline project.



Final Plan for the Dampier Bunbury Pipeline

On 2 January 2020 we submitted our final plan for the DBNGP to the Western Australian Economic Regulation Authority (ERA).

The Final Plan forms our Access Arrangement proposal for the next regulatory period for the DBNGP, from January 2021 to December 2025. It sets out our proposed investments for the DBNGP, our revenue and our prices over the next period.

The Final Plan also outlines our approach to addressing the transformation underway in the energy sector – the increasing penetration of renewable energy as customers large and small seek to reduce their carbon footprint. The Final Plan will ensure we continue to deliver safe, reliable and secure energy to our customers, and supports the economic prosperity in Western Australia.

The plan is now being considered by the ERA, before a final decision is made towards the end of 2020.



Draft Plan for our South Australian Network

In February 2020 we released our Draft Plan for the AGN South Australian Gas Distribution Network.

The Draft Plan outlines the activities and expenditure we propose to undertake on our South Australian gas distribution network from July 2021 to June 2026. It proposes a price reduction from 1 July 2021 of 8%, and reflects extensive engagement with customers and stakeholders over the past 12 months. After further engagement and feedback from our customers and stakeholders, we will submit our Final Plan to the Australian Energy Regulator by 1 July 2020.



We are proposing decreasing revenue in both Western Australia and South Australia over the next regulatory period.



Bob Goodwin, CITIC Pacific Mining

Customer Profile

Storage delivers for the Sino Iron Project

Client
CITIC Pacific Mining
Location
Tubridgi, WA
Asset
Gas storage facility

Western Australia's largest gas storage facility, located near Onslow in Western Australia, has been utilised by CITIC Pacific Mining (CPM) to manage gas supply complexities caused by the ebbs and flows in its iron ore production.

The Tubridgi gas storage facility is owned and operated by AGIG. CPM became Tubridgi's foundation customer and Tubridgi Storage Services has become one of the key components of CPM's gas management portfolio.

"The storage facility allows us to manage daily fluctuations in our consumption volumes, as storms and cyclones can impact the number of production lines running on any given day, thus having capacity for storage can enhance our ability to meet our operational gas consumption requirements", said Dominic Rodwell, Manager Gas at CPM.

In 2016, AGIG issued an expression of interest in developing a gas storage facility and associated infrastructure on the depleted Tubridgi gas field. CPM responded with a proposal and a storage agreement was reached with AGIG. The construction of the facility was completed in 2017.

CPM CEO Chen Zeng said at the time: "This decision shows how our investment in Sino Iron continues to

underpin the development of critical infrastructure for Western Australia. This is a win-win result. A reliable, cost-effective energy supply is very important for our project. The Tubridgi storage facility will greatly assist us in managing our operational requirements for energy over the long term."

When commissioned in September 2017, the storage facility had the capability to store up to 42PJ of gas, at injection and withdrawal rates of 50TJ per day.

Dominic said despite the complexity of the infrastructure, transporting gas was simple.

"AGIG provides a one-stop-shop for us," he says. "We tell the system how much gas we want to transport and/or store and, just like that, it's there where and when we need it."

"We take gas from facilities north and south of Tubridgi, AGIG's systems do it all. We just upload volume information against respective delivery points and AGIG take care of the rest."

CPM and AGIG are both early adopters of gas storage. When the facility was commissioned, market demand for gas storage was low, but today has seen strong growth in Western Australia.

The increased demand in the Western Australian domestic gas market for storage saw AGIG undertake an expansion of the facility in late 2018, increasing injection and withdrawal capacity to 90TJ and 60TJ per day respectively and overall storage capacity to 57PJ.

Tubridgi, approximately 25 kilometres west of Onslow in Western Australia, serves all the state's major gas consumers and producers via an AGIG-owned and operated pipeline network that connects Tubridgi to the DBNGP.

Low Carbon Gas

Australia's gas sector is on the pathway to a cleaner energy future. We can achieve this by using renewable or carbon neutral gas, such as hydrogen and biomethane.

Gas is essential to our economy and modern lifestyles, providing nearly a quarter of Australia's total energy supply. The Australian Government has committed to meeting a carbon emissions reduction target of 26% to 28% below 2005 levels by 2030, and state and territory governments across Australia are seeking to be carbon neutral by 2050. While increased uptake of renewable electricity generation is important, it's not the only solution.

We recognise the need to focus on large-scale decarbonisation of energy supply, including electricity, gas and transport if we're to meet our emission targets. We need to be part of the solution by using carbon-free or carbon-neutral gases such as hydrogen and biomethane in place of natural gas.

Environmental sustainability is important to our customers. Renewable and carbon neutral gases will help us achieve sustainability goals, whilst retaining access to highly reliable gas supplies and also keeping prices as low as possible.

87% feel that lowering carbon emissions is very/extremely important.

(South Australian gas customers participating in our engagement program)

Work done for the Council of Australian Governments (COAGs) Hydrogen Strategy Working Group and presented in the Hydrogen for Australia's Future Report shows that using renewable hydrogen in Victoria is around 40% cheaper than electrification.



Australia's Chief Scientist, Dr Alan Finkel and AGIG's Craig de Laine cooking on our hydrogen barbecue



International Conference on Hydrogen Safety



Australia's National Hydrogen Strategy

Australia's National Hydrogen Strategy was released on 22 November 2019.

The Strategy, agreed by the Commonwealth and all state and territory governments, recognises the huge potential for hydrogen to transform the energy we use in Australia and throughout the world.

The Strategy identifies 57 actions to achieve the vision for a clean, innovative, safe and competitive hydrogen industry that benefits all Australians and is a major global player by 2030.

The Strategy is a key milestone for the hydrogen industry in Australia. Importantly, our own vision for a green gas future aligns with the Strategy and we are already delivering on the actions outlined through our projects and industry engagement.

Developing green hydrogen has national support. Alongside the National Hydrogen Strategy, most Australian states and territories have their own future hydrogen plans.

- South Australian Hydrogen Roadmap (2017);
- South Australian Hydrogen Action Plan (September 2019);
- Queensland's Hydrogen Industry Strategy (May 2019);
- Western Australian Renewable Hydrogen Strategy (July 2019);
- Victorian Hydrogen Investment Program (under development); and
- Tasmanian Renewable Hydrogen Action Plan (November 2019).

"Domestic use of hydrogen will give us opportunities to expand into new and revitalised industries while helping us to develop the skills and credibility that will contribute to the development of our export industry."

The Chief Scientist of Australia, Dr Alan Finkel, Chair of the National Hydrogen Strategy, underlines the pivotal place for domestic hydrogen in Australia.

The states and territories we serve have set their own targets of zero-carbon by 2050.

To pursue a cleaner energy system, over 2019 we:

Delivered key strategic renewable gas projects across Australia, including our own Australian-first Hydrogen Park South Australia, Australian Hydrogen Centre and DBP Feasibility Study projects

Actively participated in policy development by ensuring we make submissions in the interests of delivering our customers a more sustainable and cost efficient product

Advocated on Gas Vision 2050, the gas industry's vision for a sustainable future

Engaged with customers to ensure we deliver sustainable and cost efficient energy solutions, both now and in the future



In 2019 we took delivery of our first Fuel Cell Electric Vehicle, generously loaned to AGIG by Toyota

The Toyota Mirai is a hydrogen fuel cell car, but rather than charging a large battery, the electrical power is generated through a fuel cell using hydrogen. This has benefits because it can be refueled like a traditional vehicle – in two to three minutes and because it has a long range – around 600 kilometres per fuel tank.

Our staff have been using the Mirai for visits to customers, stakeholders and our assets. It demonstrates how the commercial generation of hydrogen can be used to reduce carbon emissions in the tasks we do every day, such as driving to work.

We are looking to expand our Hydrogen Park South Australia facility to include refuelling stations, enabling the deployment of more emissions-free vehicles, like the Toyota Mirai, around the country.



Engaging on the Future of Gas

We are focused on delivering for our customers. A low-carbon future is important to our customers and we are actively engaging with stakeholders, policy makers and the community more generally to help shape this future.

Over the course of 2019 we presented at more than 25 conferences and stakeholder meetings, outlining the role of gas today and tomorrow, through the development of hydrogen and biogas resources.

Our submissions to government, regulators and industry groups supported the need for Australia to reduce its emissions and highlighted the benefits of green gas in achieving this objective. In particular, we have supported the introduction of a renewable gas blending target to accelerate the industry, decarbonise the domestic market and help Australia capture the export opportunities presented by hydrogen.

We participated on a number of committees and working groups with a view to developing policies and strategies to enable a low-carbon future including:

- The Stakeholder Advisory Panel supporting the development of Australia's National Hydrogen Strategy;
- The Western Australian Renewable Hydrogen Council supporting; the Western Australian Renewable Hydrogen Strategy;
- Bioenergy Australia, the peak body for the bioenergy industry;
- The Australian Hydrogen Council, the peak body for the hydrogen industry; and
- The Future Fuels Cooperative Research Centre, an industry focussed research, design and development partnership supporting Australia's transition to a low carbon energy future.

We held numerous hydrogen barbecues across the country engaging with the community, stakeholders and our own staff on the role of gas in the future.



AGIG staff holding a hydrogen barbecue in Victoria



Hydrogen Park South Australia model shown at the International Conference on Hydrogen Safety

Gas, the Natural Choice for the Future

From natural gas, to biogas and hydrogen, it is clear that there is a key role for gas in the future. It is reliable, our customers like using it and it is the lowest cost option to achieve emissions reductions.

It can also be used to lower emissions from other sectors like transport – through hydrogen fuel cell vehicles and electricity generation.

Australia has great potential to harness the benefits of a hydrogen economy. Our natural renewable electricity resources and our expertise in energy export and infrastructure position the country to take the lead in decarbonising our own energy and global markets. Importantly a new hydrogen economy will translate to new jobs and growth.

At AGIG we are focused on using our expertise in infrastructure development and operation, and our experience with customers across Australia, to deliver this green gas future.

2020 will see first production at Hydrogen Park South Australia and will also see work commence at the Australian Hydrogen Centre, Hydrogen Park Gladstone and on our DBP feasibility studies. We will continue to invest in and deliver more hydrogen and biomethane projects, and progress the industry to provide a sustainable and affordable energy future for our customers.

25
conferences discussing
low-carbon gas

"The Australian hydrogen industry generates about 7,600 jobs and adds about \$11 billion a year in additional GDP by 2050."

Australia's National Hydrogen Strategy

Our Projects

We continue to deliver new projects for our customers across the country.



Hydrogen Park South Australia

In South Australia we are kick-starting the hydrogen economy. From mid-2020, we will produce renewable hydrogen using water and renewable electricity through a process known as electrolysis. Hydrogen will be blended with natural gas and supplied to more than 700 residential and business customers in Mitchell Park South Australia - an Australian first.

Over 2019 we made significant progress with this project. We engaged Valmec and GPA Engineering to design and construct the facility, engaged with the community, had our Development Application approved, completed construction of our hydrogen storage vessel and broke ground onsite with the Premier of South Australia and South Australian Minister for Energy and Mining.

We not only focused on delivering Hydrogen Park South Australia (HyP SA) but also on expanding its operations. Planning is underway for tube and trailer facilities to supply industry and vehicle refuelling stations across the state.



DBNGP Feasibility Studies

On 8 January 2020 we were awarded a \$216,000 grant from the Western Australian Government to undertake an 18-month study to determine if and how the DBNGP can introduce hydrogen into its gas supply mix to contribute to the transition to a lower carbon economy.

The Government-backed study will assess two possible methods of introducing hydrogen into the DBNGP and its laterals. In addition to the study's technical assessments, we will also develop a roadmap to assist in the development of regulations for hydrogen blended gas within Western Australia.

“AGIG recognises that we have a responsibility to decarbonise natural gas transmission assets. This study will be a pre-requisite for the future gradual introduction of hydrogen, potentially at several different concentrations, into the DBNGP.”

Ben Wilson, CEO AGIG



South Australian Premier Steven Marshall, AGIG's Mark Beech and South Australian Minister for Energy and Mining Dan van Holst Pellekaan



Top: ARENA CEO Darren Miller, the Federal Minister for Energy and Emissions Reduction Angus Taylor, South Australian Minister for Energy and Mining Dan van Holst Pellekaan and AGIG's Ben Wilson and Craig de Laine at the announcement of the Australian Hydrogen Centre

Bottom: Visiting the HyP SA site at the AHC launch



The Australian Hydrogen Centre

In late February 2020, we were awarded funding by the Australian Renewable Energy Agency to establish the Australian Hydrogen Centre (AHC).

The AHC will help advance the renewable hydrogen industry by developing feasibility studies to supply up to 10% renewable hydrogen to regional towns and to entire gas distribution networks. It will also develop a pathway to make the transition to 100% hydrogen networks in South Australia and Victoria.

In addition, the AHC will publish knowledge sharing reports to share key insights and data from the operations of HyP SA.

The AHC also received funding support from SA's Department for Energy and Mining and Victoria's Department of Environment, Land, Water and Planning. Our other AHC Founding Members include gas and energy infrastructure business AusNet Services and leading renewable energy companies, ENGIE and Neoen Australia.



Hydrogen Park Gladstone

Hydrogen Park Gladstone (HyP Gladstone) expands AGIG's hydrogen footprint into Queensland. Announced in February 2020, and enabled by a \$1.78m grant from the Queensland Government, the \$4.2m HyP Gladstone project will produce renewable hydrogen using a 175kW electrolyser and deliver a 10% renewable hydrogen and natural gas blend to the entire network of Gladstone – more than 770 residential, small business and industrial customers.

With first production expected in December 2021, HyP Gladstone will deliver further learnings advancing the renewable gas industry through the increase of hydrogen blend to 10% and through dedicated engagement with industrial users. The facility's modular design enables it to be scaled-up in the future to produce volumes beyond Gladstone's needs, for potential wider domestic and even export markets.



Artist impression of HyP Gladstone

"AGN, as part of Australia's broader energy industry, has commenced the new decade with a strategy that aims to deliver substantial, measurable and world-leading outcomes in minimising the current and future carbon footprint across the whole of our national gas distribution business."

Ben Wilson, CEO AGIG



Dale, Minda laundry employee

Customer Profile

Gas-fired laundry efficiencies

Client
Minda Incorporated
Location
Lonsdale, SA
Asset
South Australian Distribution Network

Located in a state-of-the-art facility at Aldershot Road, Lonsdale in Adelaide's Southern Suburbs, Minda's Commercial Laundry and Linen services provides professional laundering of clothing and linen for healthcare, aged care, hospitality and accommodation industries.

As part of a major expansion, AGN was a key player in the construction and configuration of the 3,000 square metre laundry. Aiming to run a completely steamless plant, the facility had a heavy reliance on gas to fire the European equipment. Consultant Planner, Mario Marini, who designed and project-managed the build of the laundry facility said gas-fired equipment was a logical choice for energy efficiency, cost efficiency and environmental factors.

"Within a laundry environment, generating steam results in lost efficiency and energy due to the steam travelling along lengthy pipes, losing heat as it travels. So we decided the most efficient option allowing for a clean footprint was to run a steamless plant. We have gas-fired commercial dryers, gas-fired oil-heated irons and two smaller boilers, only for heating water in the wash area", he said.

Providing employment to over 100 South Australians, one third of those who live with a disability, the Commercial Laundry runs five days a week and launders approximately 110,000kg per week. Keeping future growth in mind, the facility was designed with infrastructure capacity to turnover 240,000kg a week and run across seven days.

"We've got eight 120kg gas-fired dryers which push out 300kg linen per hour."

"From the point of Development Approval, we had a short turnaround time to engage with AGN and determine, build and commission the correct meter and gas supply. We were lucky that AGN worked very closely with us through this process, and actually gave us access to commissioning gas and increased the pressure through an existing and neighbouring gas meter, enabling us to commence small-scale operations while the new infrastructure for 240,000kg per week was being manufactured."

"They were fantastic because at the time, there were another two other large commercial laundries being built in Adelaide, meaning there was a heavy workload on the gas networks in building these specific meters for the sites. I'm happy to say that it was within a three-month window that we had our own gas meter and gas lines connected and running, all while being able to operate with commissioning gas they'd arranged in the meantime. The AGN crew were terrific."

"The actual switch over when they installed the meter was very smooth

and straight-forward – all the infrastructure was in place and hooked up and they simply switched from 'off to on'; it was fantastic. And we've had absolutely no issues to date with reliability or supply."

"Another benefit of the facility upgrade is our environmental footprint. We've significantly reduced our electricity usage and wasted energy through steam-injection appliances, plus by not running the big boilers [opting for gas-fired instead of steam-injection], we haven't met the threshold of reporting to the EPA (Environmental Protection Authority), whereas in previous plants we've had to report heat emissions, whereas at Lonsdale we don't."

Minda is a non-for-profit organisation but has an impressive list of clients that engage the laundry's services, including Resthaven, Helping Hand, Uniting Communities, St Andrews Hospital, ACH Group, Stirling Hospital, nursing homes and many more. In turn, their services span and reach all breadths of the community, all whilst providing constructive and paid experience to both supported Minda employees and non-supported employees.

Investing in Communities and Protecting the Environment

Each year AGIG continue to work with organisations to support the community.

We've contributed over \$500,000 to a variety of organisations across Australia. In line with our vision, we have supported a broad variety of environmental organisations, industry bodies, charities, youth development, Science, Technology, Engineering, and Mathematics initiatives, sporting clubs and more make up the framework of our broader community sponsorship program.

This year we've continued our support with long-standing partnerships, but have also explored and established new relationships to invest in different areas. Our work has continued with Angel Flight SA, The State Theatre Company SA, The Cancer Council, Robogals Melbourne, Melbourne Firefighter Stair Climb, FoodBank SA, Council of the Ageing and more. Some featured partnerships have been expanded upon, highlighting our continued support of historical and newly-established community aid.

We are also members of and work with several industry bodies and groups. These include Energy Networks Australia, Australian Hydrogen Council, Australian Pipelines and Gas Association, Master Builders Association, Housing Industry Association, Bioenergy Australia, Australian Cyber Security Centre, Future Fuels CRC, Chamber of Minerals and Energy (WA) and Dial Before You Dig.



Supporting the Bushfire Recovery

Following the devastating bushfires across Australia during the 2019/20 summer, AGIG was eager to do our part in supporting the communities, resources and victims who had been affected by these fires. We did this through several initiatives, stemming from morning tea fundraisers at every office location. In addition to a corporate donation of \$50,000, AGIG also pledged to match any donations made by staff with a total figure of over \$65,000 donated to the Australian Red Cross.



Young Men in Remote Communities

A newly established relationship in 2019, the Clontarf Foundation uses unique and innovative approaches to target one of the most at risk groups in contemporary Australian society – young Aboriginal and Torres Strait Islander men. AGIG is supporting the new Whyalla program in SA which operates in three schools within the region. Since inception, a rise in school-program engagement has been measured alongside an increase in attendance.

Supporting the Scientists of the Future

As a long term partner, AGIG supports the Science and Engineering Challenge which is a non-for-profit STEM (Science, Technology, Engineering and Mathematics) national outreach program run through schools in Australia. It aims to inspire and encourage more young people to make a difference in the world by considering a career in science and engineering – something that aligns well with our future development options. We also supported School Science and Engineering Challenges and Science Week events across the country to discuss renewable technologies in the gas industry for a cleaner energy future.

Street Chaplains WA

Street Chaplains work on the streets of our State's cities and towns, they provide crisis pastoral care unconditionally to anyone in need. As our DBP business has offices in Perth and Jandakot and over 150+ staff living in the broader Perth area, AGIG financially supported this organisation to continue the good work of hundreds of volunteers.

Hutt Street Centre

AGIG again this year supported Adelaide's Hutt Street Centre, as staff participated in Walk a Mile in My Boots. Raising money for homelessness, this event involves walking a mile on a cold, winter's morning to find something to eat, a hot cup of tea or coffee, and a friendly face to experience what the nearly 6,000 homeless South Australians confront.

Landcare Australia

Aligned with our commitment to being environmentally and socially responsible, we were proud to continue our partnership with Landcare Australia as they celebrated their 30-year anniversary in 2019. The AGIG Landcare Australian Grants program supports landcare groups and the farming community with a direct connection to the DBNPG in Western Australia.

The program provides funding for community landcare, indigenous and/or farming groups, protecting threatened and endangered species, sustainable agriculture practices and training opportunities.

Customer Profile

Gas strikes gold for miner



Client
Newmont Corporation
Location
Tanami, NT
Asset
Tanami Gas Pipeline

Using gas to power its Tanami mining operation made financial and environmental sense for Newmont. The world's largest gold mining company needed an alternative to diesel that would ensure security of power supply so that the mine's operation wouldn't be compromised.

"We considered all options, and from both a cost and managing emissions perspective, moving to gas and constructing a new gas pipeline was the most viable option," said Wayne McFaull, Project Manager for Newmont Corporation's Tanami goldmine.

"When it rained quite heavily a few years ago, we lost 56 days of production because diesel tanker trucks couldn't reach us when the roads became degraded from flooding.

"We couldn't afford for that to happen again."

After extensive feasibility studies, Newmont appointed AGIG to build, own and operate the 440km pipeline in mid-2018.

The \$170 million pipeline transports much needed natural gas to power the Tanami mining site, north-west of Alice Springs.

Wayne says the project was a race against the looming wet season.

"The project needed to be finished before the heavy rain started," he said. "Unforeseen delays could have meant days or weeks of forced downtime for the mine."

"AGIG worked very well with the Central Land Council, who facilitated, getting

approvals in a timely fashion in order to meet the project schedule."

Following the alignment of Tanami Road, the pipeline passes through pastoral, Aboriginal freehold and Crown land.

AGIG consulted with key stakeholders to help define the pipeline's final route, with particular consideration given to the existing infrastructure, utilities, pastoral, mining, environmental, Aboriginal heritage and sacred sites impacts.

"There were significant heritage and wildlife considerations during the project too," Wayne said.

"We took out microphones to monitor the night parrots, we had every goanna hole mapped. We safely relocated some 600 different animals, reptiles and insects from the pipeline trenches.

"AGIG employed a group of local traditional landowners to walk in front of the earthmoving equipment and determine where the route was going to go each day."

Wayne says benefits of the gas pipeline have been wide-reaching.

"A fleet of trucks were continuously running up the Tanami Highway to get diesel to the site, but with construction

of the Tanami gas pipeline, we have removed 70% of this traffic," he said.

"This has made a big difference to road maintenance and safety.

"The project has also created opportunities for Territorians and other businesses. There was no infrastructure along this road besides a fibrooptic cable, but now there's a gas pipeline that goes past local communities and other potential mines."

Newmont is the world's leading gold company and a producer of copper, silver, zinc and lead, with mines in North America, South America, Australia and Africa. Newmont is widely recognised for its principled environmental, social and governance practices and is considered an industry leader in value creation, supported by robust safety standards, superior execution and technical proficiency. Newmont was founded in 1921 and has been publicly traded since 1925.

Corporate Governance



From left to right:
Andrew Staniford, James Smith,
Paul May, Roxanne Smith, Ben
Wilson, Jon Cleary, Craig de Laine,
Mark Beech, Tawake Rakai

Ben Wilson Chief Executive Officer

Ben joined AGN as Chief Executive Officer in March 2015 and became Chief Executive Officer of DBP and MGN in 2017. Previously, Ben was the Director of Strategy and Regulation and CFO at UK Power Networks, a large electricity distribution company in the UK with eight million customers, and also owned by the CK Group. Before joining UK Power Networks in 2011, Ben was a utilities investment banker for 15 years, working in Europe, Asia and Latin America, most recently at Deutsche Bank. He is a Director and Deputy Chairman of Energy Networks Australia (ENA) and Chairman of the ENA Gas Committee. In 2020, Ben commenced as Chair of the Energy Charter CEO Council.

Andrew Staniford Chief Customer Officer

A customer focused leader, Andrew ensures our business and workforce are well positioned to deliver for customers. Responsible for customer growth and increasing customer satisfaction,

Andrew delivers major marketing and growth strategies across our national customer base and operations. He is also responsible for information technology strategy and implementation. Andrew has more than 25 years in the energy sector. He holds a Master of Economics.

James Smith General Manager Transmission Operations

James leads the safe and reliable operations of our transmission assets. Focused on achieving a zero harm future, James inspires our operations teams and optimises our maintenance activities in Western Australia and the Northern Territory. James is a keen advocate in the pipeline industry, supporting research, development and sharing of lessons learned. He brings almost 30 years' experience from field, supervisory, management and executive management roles in the gas industry. He proudly holds trade qualifications in addition to an Advanced Diploma in Leadership and Management.

Paul May Chief Financial Officer

A forward thinking CFO, Paul is committed to ensuring we are sustainably cost efficient and delivering profitable growth for our shareholders. Paul embeds best practice financial management principles from strategy to daily operations. He brings more than 20 years of experience to the management team. He holds a Bachelor of Accounting and is a Chartered Accountant.

Roxanne Smith General Counsel and Company Secretary

Roxanne manages the Legal and Company Secretary Team, overseeing and advising on all legal and governance matters. Roxanne brings 20 years of experience providing legal advice in the utility, natural resources and infrastructure sectors, in particular in regulation and has worked closely with AGIG and other companies in our sector for many years. Roxanne's depth of experience in our sector enables her to provide strategic legal support to all areas of our business. She holds a Bachelor of Laws (Honours) and a Bachelor of Commerce (Accounting).

Jon Cleary General Manager Commercial

Jon oversees the commercial operation of our transmission pipeline, storage and power generation assets. He monitors the changing energy landscape, seeking strategic opportunities for growth across our national operations. He is responsible for expansion opportunities and new projects, both in the regulated and non-regulated space. Under Jon's leadership, we have added a number of new gas pipeline, storage and remote power assets to our portfolio. Reliability is critical for our customers, and Jon also manages our Western Australian control room facilities.

Jon brings invaluable experience to our Executive Team, having worked for the Queensland Gas Company (BG Group) and Woodside. He holds a Bachelor of Economics and a Master of Science.

Craig de Laine General Manager People and Strategy

Craig sets and implements the long-term vision for our gas pipelines and distribution networks, with a focus on actively pursuing

a low-carbon gas future for Australia. Craig is also responsible for ensuring we have an engaged and skilled workforce, regulatory management, compliance, internal audit and risk, policy and our economic advisory function. Craig ensures we effectively engage with the community as we develop our business plans. He brings over 20 years of industry experience, including roles at the Essential Services Commission of South Australia and the Productivity Commission. He holds a Master of Economics.

Mark Beech General Manager Network Operations

Mark has operational responsibility for our gas distribution networks, the largest across Australia, ensuring the safe and reliable supply of natural gas to more than two million customers every day. Mark oversees the full life cycle of distribution network asset management, from commissioning through to the daily operational management of the distribution networks. Backed with more than 30 years of experience in utility operations, Mark has a well-deserved reputation as a technical leader in the Australian energy industry.

Mark holds a Bachelor of Civil Engineering together with a Graduate Diploma in Engineering Management.

Tawake Rakai General Manager Transmission Asset Management

Strategic asset management for the gas transmission system and storage facilities is Tawake's responsibility. He leads with the critical imperative of maintaining asset safety and integrity. Applying modern engineering practices, Tawake leads the design and construction of new gas transmission systems including compressor stations, meter stations and associated facilities and storage facilities. Tawake is also responsible for health and safety at AGIG, leading our safety culture and drive to zero harm. Tawake has extensive operations, maintenance and project experience with more than 35 years in the gas industry. He holds a Bachelor of Engineering (Mechanical).

Operational Statistics



Gas Delivered (TJ)

	2019		2018		2017		2016		2015	
	<10TJ	Total								
WA	-	373,379	-	370,268	-	371,443	-	344,246	-	330,695
VIC (AGN)	38,573	55,975	37,014	54,865	39,003	57,619	36,625	55,218	37,523	55,965
VIC (MGN)	44,555	56,100	44,928	56,922	44,503	56,395	44,453	56,566	45,968	58,233
SA	10,715	30,615	10,670	31,952	10,777	30,668	10,535	30,795	10,975	31,062
QLD	2,611	5,968	2,595	6,488	2,447	6,114	2,363	6,024	2,315	10,233
NSW	2,792	6,640	2,674	6,647	2,829	7,118	2,611	6,927	2,602	6,780
NT	66	1,625	64	2,083	61	2,059	62	2,353	67	2,701
Total	99,312	530,302	97,946	529,225	99,620	531,416	96,649	502,129	99,450	495,669

Customer Numbers

	2019		2018		2017		2016		2015	
WA (Shippers)	37	36	35	36	29	27				
VIC (AGN)	697,609	682,170	665,420	650,191	635,559					
VIC (MGN)	711,484	705,047	699,438	694,508	691,124					
SA	458,020	451,718	445,428	439,248	433,510					
QLD	105,878	104,098	101,794	98,989	96,172					
NSW	59,942	59,087	58,096	56,641	55,745					
NT	1,149	1,138	1,137	1,137	1,137					
Total	2,034,119	2,003,294	1,971,348	1,940,743	1,913,274					

AGIG was only formed in May 2017, however DBP and MGN statistics for 2017 in full and history are provided prior to this date for completeness

Assets

	WA (DBP/DDG)		VIC		SA		QLD		NSW		NT		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
New mains (km)	-	-	237	225	72	56	67	57	14	18	-	-	390	356
New inlets	-	-	35,662	37,833	7,999	8,563	2,212	2,742	544	807	-	-	46,417	49,945
Replacement mains (km)	-	-	170	183	227	214	12	18	10	11	-	-	419	426
Total mains (km)	-	-	21,448	21,246	8,180	8,108	3,090	3,022	1,997	1,979	38	38	34,753	34,393
Transmission pipelines (km)	2,337*	2,337*	503	504	481	484	314	313	85	84	601	601	4,321	4,323

*Unlooped pipeline length, loop is an additional 1,252km for the DBNPG and 87km for the Wheatstone Ashburton West Pipeline

Financial (\$m)

	DBP/DDG		MGN		AGN		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
Total revenue	451	449	218	214	632	617	1,301	1,280
Earnings Before Interest and Tax	266	250	129	118	365	361	760	729
New capital expenditure	68	179	97	107	278	250	443	536
Credit rating	BBB	BBB	BBB+	BBB+	A-	A-	-	-
Net debt (\$bn)	2.44	2.42	1.14	1.09	2.82	2.70	6.40	6.21
Regulated Asset Base* (\$bn)	3.40	3.43	1.28	1.24	3.82	3.67	8.50	8.34
Net debt:RAB^	68%	67%	89%	88%	74%	74%	74%	73%

*DBP/DDG Net debt includes DDG Net debt, but this is excluded from the DBP/DDG Net debt/RAB calculation
Note: Revenue and Earnings Before Interest and Tax include purchase price accounting adjustments

Operational Key Performance Indicators

Delivering for the customer

	2019			2018		
	AGN	MGN	DBP	AGN	MGN	DBP
Public safety						
% of public leak reports responded in 2 hours (1 hour MGN)	99%	99%	N/A	98%	95%	N/A
% of Leak Management Plan (LMP) leak surveys compliance	100%	100%	N/A	100%	100%	N/A
LMP Class 1 and Class 2 leak repair – % performance with LMP target timeframe	99%	95%	N/A	99%	97%	N/A
Tier 1 and Tier 2 Safety Events	N/A	N/A	0	N/A	N/A	0
Tier 3 and Tier 4 Safety Events	N/A	N/A	8,069	N/A	N/A	71,939

Reliability

Unplanned interruptions caused by operator actions, third party damage or asset condition	1,302	5,616	N/A	1,374	4,103	N/A
No. Unplanned interruptions affecting 5+ customers	36	16	N/A	42	5	N/A
No. Customers having 3+ interruptions within 12 months	12	89	N/A	16	40	N/A
No. Events where a gas interruption is not restored within 12 hrs	67	594	N/A	57	175	N/A
DBNGP system reliability	N/A	N/A	100%	N/A	N/A	100%
DBNGP compressor station availability	N/A	N/A	99%	N/A	N/A	98%
10MW unit availability	N/A	N/A	90%	N/A	N/A	92%
Asset utilisation	N/A	N/A	75%	N/A	N/A	72%
Compressor fuel use	N/A	N/A	2%	N/A	N/A	2%

Customer services

Time to answer calls (Emergency) – within 10 seconds (%)	94%	90%	N/A	91%	81%	N/A
Time to answer calls (Customer) – within 30 seconds (%)	89%	92%	N/A	86%	76%	N/A
No. Substantial complaints	866	439	N/A	1,317	827	N/A
Connection performance (%)	93%	92%	N/A	99%	92%	N/A
Meter fix performance (%)	100%	99%	N/A	99%	97%	N/A
DBNGP curtailments	N/A	N/A	0	N/A	N/A	0

A good employer

Health and safety

Total Recordable Injury Frequency Rate	11.5	4.8	0	9.8	4	5.4
No. Lost Time Injuries	3	0	0	3	2	1
No. Moderate Medical Treatment Injuries	16	4	0	20	1	2

Skills development

Refresher training compliance to scheduled volume (%)	90%	99%	98%	99%	99%	99%
Compliance to competency audits	100	N/A	N/A	0	3	N/A

Employee engagement

Employee engagement score	74%	70%	65%	79%	69%	69%
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Sustainably cost efficient

Environmentally and socially responsible

Greenhouse gases emissions (volume – tonnes CO ₂ e)	582,665	225,909	250,424	575,422	238,018	252,352
No. of reportable environmental incidents	0	1	0	0	0	0

