

## Learning and Linkages: Executive Development with Emerging Leaders in the Chinese Natural Gas Industry

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### **Abstract:**

The Australian Centre for Natural Gas Management (ACNGM) provides excellence in international executive and management education in the LNG sector within Australia and throughout Asia. Established in 2005, the ACNGM is a highly successful joint venture between Curtin University and the University of Western Australia. The ACNGM has the ability to tailor unique experiences by offering global perspectives, innovative program design and in-depth knowledge, direct from industry. Each program allows participants from across the Asia Pacific Region, including Australia, China, India, Korea, Thailand and Taiwan, to engage in a dynamic exchange of ideas and perspectives. This paper presents an overview of the ACNGM's flagship program involving Emerging Leaders from the Chinese Natural Gas industry and the empirical evidence of success in fostering learning and linkages with this important global partner.

### **Introduction**

#### *Global economic growth*

Australia is on its way to become the world's second largest Liquefied Natural Gas (LNG) exporter. Currently supplying LNG to various countries such as China, Japan, Korea, India and Taiwan increases in demand presents a corresponding need for higher levels of leadership and management expertise from across the Asia Pacific Region. To accommodate a gap in the Executive Learning and Development in this area, the Australian Centre for Natural Gas Management (ACNGM) provides education programs specifically design to further enhance, understand and lead the global energy sector.

This paper presents an overview of one such program.

### **Leadership and Management required in this industry**

Globally the energy sector is experiencing a gap between technically savvy and business acumen. To address this, the ACNGM delivers comprehensive, innovative and thematically structured programs which focus specifically on leadership and management within the natural gas industry, at an organisational, industry and policy level. Each program is tailored to align with the client's vision to allow for greater outcomes towards their business results. Design elements include targeted content; integrated case studies; strategic conversations; business simulations; high impact guest speakers; learning networks; digital media and new technologies; action learning projects; and outdoor experiential learning.

### **Establishing International Linkages**

An example of one of the ACNGM's more comprehensive programs is the highly successful Australia China LNG Training Program. This program was developed for The Australia-China Natural Gas Technology Partnership Fund (The Fund). The Fund was established in 2003 as part of the initial agreement for Australia to supply LNG to Guangdong, China for 25-years and comprises the North West Shelf Venture, Federal

and State Governments of Australia and the National Development and Reform Commission People's Republic of China.

To support this high level demand for learning and linkages at the international level, a unique program was designed to create a greater depth of partnership, provide opportunities for training, research and technology transfer and to build a healthy and vibrant natural gas and LNG industry between Australia and China. Participants originate from China's leading LNG companies including Shenzhen Gas Corporation, CNOOC and Sinopec to name a few.

The ACNGM prioritises and undertakes ongoing collaboration, communication and evaluations with the Fund. An example was the restructure of the once six month program, to the thematically structured program now divided into three short courses. This has enabled a number of optional features to be built into the design and the delivery of the program, including opportunity for credit towards University studies at Curtin or UWA.

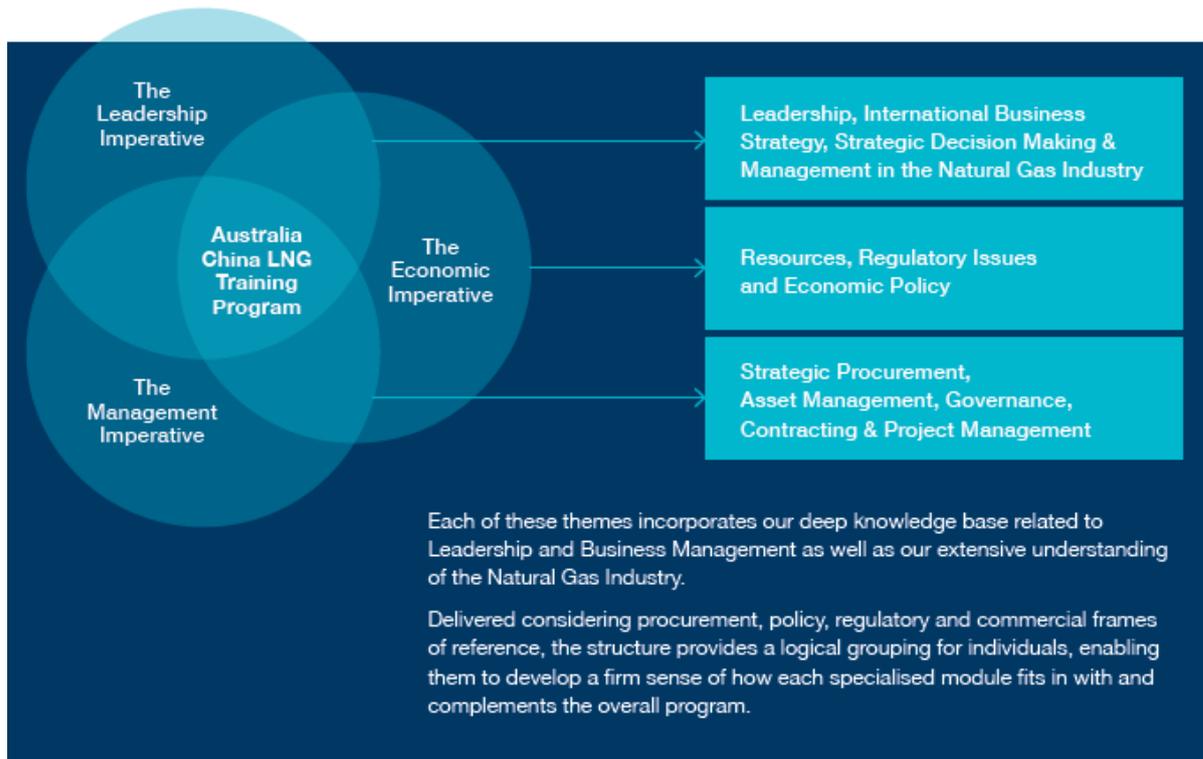
2010 saw the inaugural running of the revised program format for the Australia China LNG Training Program (see Figure 1 below). This revised program is innovative in design and thematically structured to deliver three 'imperatives' with a number of optional features built into the design and delivery, integrated to provide an immersive experience with regard to both the Australian business culture and the local LNG market. The format of this program draws on the latest research and practice related to leadership, economics and management in the Natural Gas Industry.

[Appendix A](#) provides a brief overview of the some of the key people on this program. Following is an overview and performance evaluation of the first two Short Courses of the program - *The Leadership Imperative* which ran from 3 May to 29 July 2010; and *The Economic Imperative* which ran from 2 August to 19 October 2010. The Fund and key stakeholders are to be credited for their ongoing professional support and cooperation throughout the execution of the program.

As Figure 1 (over) demonstrates, the structure of the Australia China LNG Training Program addresses the three core themes of:

- The Leadership Imperative:** Leadership, International Business Strategy, Strategic Decision Making & Management in the Natural Gas Industry (runs each year)
- The Economic Imperative:** Resources, Regulatory Issues and Economic Policy (runs biennially, first scheduled for 2010)
- The Management Imperative:** Strategic Procurement, Asset Management, Governance, Contracting & Project Management (Runs biennially, first scheduled for 2011)

**Figure 1 Australia China LNG Training Program**



### Background Organisation to Support the Program

In order to maintain the integrity and quality of the program a number of steps were put in place to support program delivery and achievement of objectives. This included

- High level responsive client contact points and Program Management
- Rigorous Academic Coordination
- High quality consistency with regard to support materials, design elements and processes.
- Strong intention and connection between modules and presenters
- Forging of strong relationships and flexible support. Personalisation.

As evident from the formal evaluations taken from the participants, the revised program has had a highly successful inaugural year, with a mean of 90 per cent, mode of 89 per cent, median of 90 per cent and range of 17. The anecdotal evaluation illustrates that the participants found the three-month revised program allowed for opportunity in the scope of Australian business, social engagements and the development of future networking opportunities.

*“Curtin and UWA has pushed the program very hard on us, try to give as much as they can the lectures to us... We have learned a lot we haven't known before. We believe, what we learned here today,... will benefit our career, our companies and Chinese gas industry in the future. Thus...we sincerely thank all the Lectures and faculty from Curtin and UWA for their hard work and contributions.” (Xu Dongmei, Sinopec 2010)*

*“...The places we have been, people we have met and things we have done, all become a part of our WA learning experience, and will be in our most cherished...that will enrich our future life.” (Tang Yongxiang CNOOC 2010)*

The Fund and key stakeholders are to be credited for their ongoing professional support and cooperation throughout the execution of the program.

#### **Highlights and Key Benefits of the program**

Whilst there were numerous perceived benefits, some of the highlights from a participant perspective included:

- Exposure to key aspects of Australian culture (including learning how to play Aussie Rules)
- English language development
- Site visits (e.g. Woodside Study Tour) and networking opportunities
- Extensive use of case studies and example directly related to the industry
- The rigorous nature and well thought out design of the program
- Follow through and attention to detail
- Social interaction and activities
- Exemplary support from the Program Manager – this was a key part of relationship building and ensuring participants experience was one they would remember and value as they moved forward in their careers

The ACNGM has and continues to offer ongoing executive programs that assist the development of relations between Australia and China. To date, the ACNGM has provided executive education to over 100 of China’s leading leaders in the energy sector, including those who make up the NDRC.

The programs have provided the opportunity for specialisation for individuals, broadened through outlook and delivered learning outcomes that are relevant and practical. This too further reinforces the track record in delivering superior quality programs that have a lasting impact.

Leading presenters from both Curtin University and UWA benefit as the program provides a means to transfer knowledge, enhance reputation, build links for both business and research opportunities, provides opportunities to work across boundaries.

**Conclusion**

The first year of the five year contract has run exceedingly well, as evident from the formal and anecdotal feedback taken from the participants and Presenters. A large element in achieving this has been the crucial support provided by the Fund representatives, who essentially act as partners in the program. The ACNGM team look forward to working cohesively with the Fund in 2011.

## Appendix A: The ACNGM Team

The ACNGM a joint venture between two of Australia's most prestigious, energy savvy universities, Curtin University and the University of Western Australia (UWA) in 2005. The key intent is to address the complex global markets, cross borders, differing cultural expectations and source new ways of doing business. Today the ACNGM provides excellence in international executive and management education within Australia and throughout Asia. The design of the programs incorporates the latest research and practice related to Leadership and Management in the Natural Gas Industry, at an organisation, industry and policy level; part of this is about applying knowledge and ensuring transfer of concepts.

Under the leadership of Associate Professor Margot Wood, Director of Executive Education and Consultancy at Curtin University, and Tim Shanahan, Director of UWA Energy and Minerals Institute, the ACNGM is driven by innovative ideas and opportunities in providing well researched, customised and world class programs. To maintain only the highest of standards in both program delivery and relevant content, each program is reviewed by the Academic Coordinator Professor of Energy Economics, Ronald Ripple. Professor Ripple's experience and professionalism has provided him with an exclusive invitation from The Honourable Kim Beazley AC, Australian Ambassador to the US, to present at the 2011 Australian Ambassador's Seminar Series on China's Role in an *Evolving Global Natural Gas Industry*.

Whether the client is looking for a program to develop individual competencies or a suite of offerings, the ACNGM has the ability to partner with the client in tailoring unique experiences to match the organisation's vision. Underpinning the global perspective, innovative program design and the knowledge and insight provided through access to two of Australia's most prestigious Universities.

Each program is delivered by a mix of academics and practitioners and complemented by extensive industry and regulatory briefings. Drawing from over 30 presenters from a range of Academic, Research and Private Sector organisations, a sample of the ACNGM's leading presenters include:

### Professor Roger Smith

Professor Smith's working career has been extensive included 15- years in the chemical and mining industries in Australia and Canada in the areas of production management, systems analysis and training and development. He co-ordinates and teaches the MBA units International Management, Business Strategies for Asia and the Pacific and Management and Consulting. His past and present experience has given him specialist knowledge and expertise in training and education at both the practical and academic levels in Western Australia, Australia and internationally.

### John Karasinski

John is the Program Director of the MBA Oil & Gas and Senior Lecturer who specialises in International Oil & Gas Markets, Economics for Managers and Corporate Finance. He teaches in the Master of Technology (Petroleum Technology) Program; a partnership between Shell International Exploration and Production and Curtin University, noting that this program is only available to Shell and Shell Affiliate Company employees.

### John Chandler

John is a lawyer with over 30 years commercial, corporate and business experience. He has been a partner in major law firms including Freehills, KPMG Legal and Deacons, and now practices on his own with a focus on the oil and gas industry and corporate governance. He is the Associate Director of Centre for Mining, Energy and Natural Resources Law. John has acted in acquisition, joint venture and project

negotiations for, amongst others, Chinese and Japanese companies, including Sinosteel, Anshan, Tokyo Electric and Tokyo Gas.

#### [Dr Ray Challen](#)

Dr Challen is Principal of Economics and Policy at Pricewaterhouse Coopers in Perth, Western Australia. He specialised in advising clients in economics and public policy, particularly in the economic regulation of utility business businesses and infrastructure services, public sector reform and interactions of businesses with government and administrative processes. Roles involve advising government economic regulators, government businesses and private owners of energy and transport infrastructure on access-related matters.

#### [Alan Smart](#)

Alan Smart is the Marketing Director a Principal Consultant working in the Canberra office of ACIL Tasman. He provides advice on economics, markets and policy for corporate and government clients. Relevant areas of Alan's work included oil pricing and taxation, gas and electricity market reform, regulation, pipeline access, risk and safety policy and corporate governance. Alan is a Member of the Board of the Tasmanian Economic Regulator.

#### [Associate Professor Martin West](#)

Dr West actively undertakes research in the oil and gas industry and has been involved in provided advice to government related to gas access regulation. He has undertaken substantial work in competition policy and has been involved in a large number of consulting and commissioned research projects in this area.

Other key organisations either currently or recently involved in the delivery of the program has included:

- [PricewaterhouseCoopers](#) - The leading provider of professional services to the energy & resources sector by advising energy, utilities and mining companies with proven business solutions issues like profitability, environmental matters, shareholder value and the changing regulatory environment.
- [Minter Ellison Perth](#) - Commercial law firm with a strong industry focus, who provides optimum services and thought leadership in a range of areas including energy and resources, major projects, engineering and construction.
- [Freehills](#) - an Australian based international law firm that has a leading roles on the major oil and gas projects in Australia and significant experience in projects throughout the world.
- [ACIL Tasman](#) - an economic consulting firm providing analysis and advice on economics, policy and strategy to clients in Australia and internationally.
- [DBP](#) - DBP Transmission (DBP) is the owner and operator of the Dampier to Bunbury Natural Gas Pipeline (DBNGP), Western Australia's most important piece of energy infrastructure. The DBNGP is WA's key gas transmission pipeline stretching almost 1600 kilometres and linking the gas fields located in the Carnarvon Basin off the Pilbara coast with population centres and industry in the south-west of the State.
- [Economic Regulation Authority](#) - the independent economic regulator for Western Australia. It regulates monopoly aspects of the gas, electricity and rail industries and licenses providers of gas, electricity and water services. The ERA also inquires into matters referred to it by the State Government.