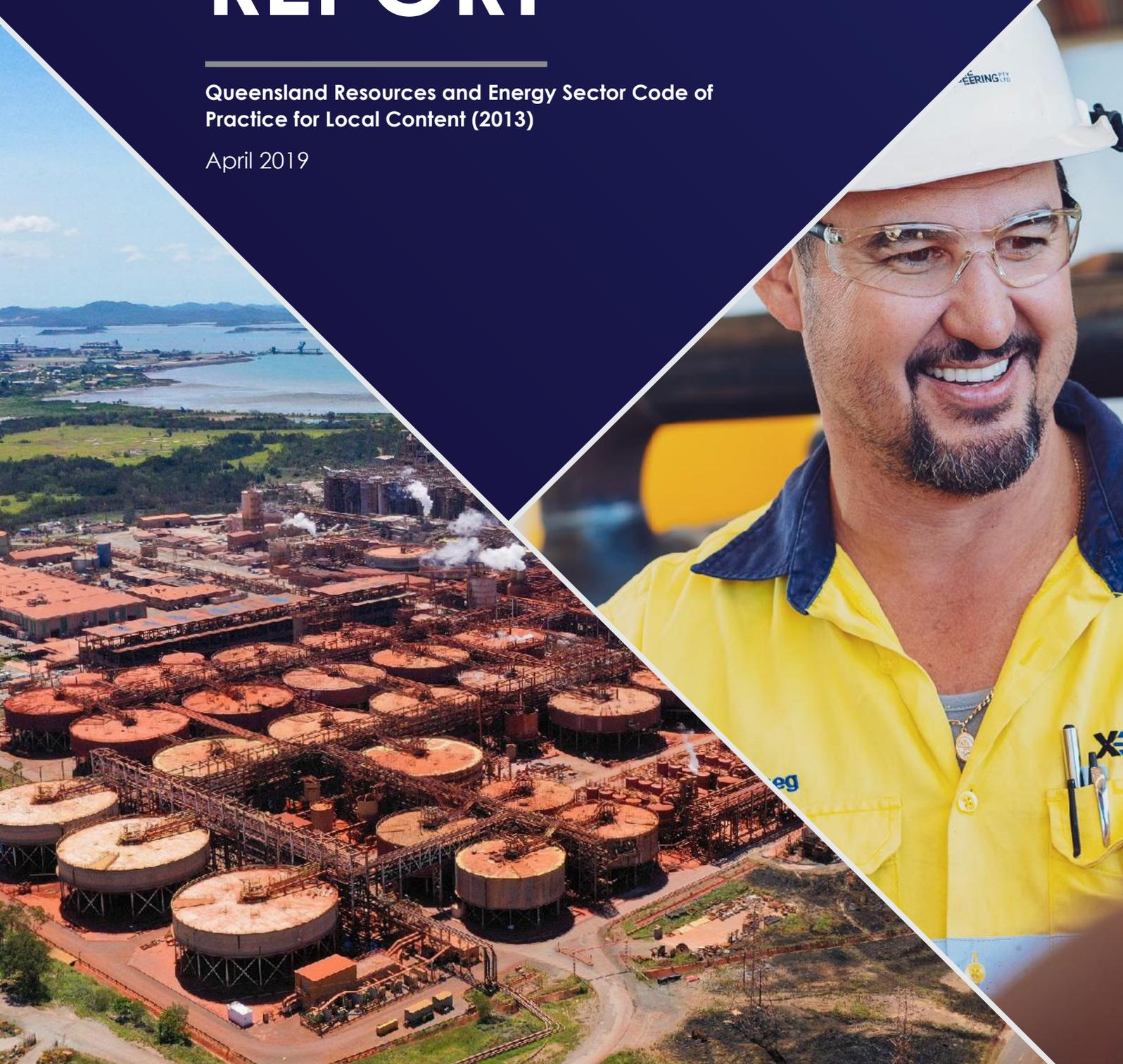


2018 CODE EFFECTIVENESS REPORT

Queensland Resources and Energy Sector Code of
Practice for Local Content (2013)

April 2019





EXECUTIVE SUMMARY

The resources sector has long recognised the value of local content in its projects. It's a way of reducing costs, reducing risks and increasing the long-term sustainability of regional economies. Buying locally also demonstrates the sector's long-term commitment to its local community.

The Queensland Resources and Energy Sector Code of Practice for Local Content is a best practice framework for an outcomes-based, flexible approach to improving local content in Queensland's resources and energy projects. The Code recognises the shared responsibility of local content, with the QRC, local suppliers, the resources sector, regional economic development groups and government all encouraged to play joint roles in improving local content outcomes.

The Code Effectiveness Report 2018 provides a snapshot of the sector's local content results and achievements over 2017-18. The report also includes several case studies of companies working with their local suppliers to create opportunities and build capabilities.

Based on the 2017-18 results, it's clear member companies are working to create further opportunities right across their supply chains.

QRC is pleased to report that local content as a share of industry expenditure greatly improved in 2017-18, with 69% of all purchases by the sector going to vendors located in Queensland. That's a \$3 billion, or 19%, increase in Queensland in expenditure in just 12 months.

The sector has also reduced its reliance on international suppliers. Only 1% of all goods and services purchases went to international vendors in 2017-18. That's less than half the 2016-17 results of \$0.6 billion or 2.3% total purchases.

Strong results are always welcome, yet the work is far from over. Our member companies will continue to work with industry, governments and their communities to provide local suppliers with a full, fair and reasonable opportunity to participate. This report highlights just a few of the available pathways to build those opportunities.



INTRODUCING THE CODE FRAMEWORK

The QRC is pleased to present its fifth Code Effectiveness Report (2018) (the 'report') under the Code of Practice for Local Content (2013) (the 'Code'). The objective of the report is to provide a summary of industry's progress in adopting the Code, including best practice case studies, expenditure data – local, interstate and abroad – the sector's economic contribution, how the full, fair and reasonable principle is being implemented.

The overarching principle of the Code is to provide a full, fair and reasonable opportunity for local industry to compete to supply for significant resource projects. The Code, and supporting Implementation Guideline, provide a practical set of tools for resources companies to improve local content outcomes.

The Code encourages Queensland's resources and energy companies to adopt the 'full, fair and reasonable' principle, to develop a Local Content Strategy (using the Code Implementation Guideline as a starting reference), to use complementary capacity and capacity building programs, and to monitor and evaluate Local Content Strategy effectiveness.

The Code adopts a shared responsibility framework with the QRC, local suppliers, the resources sector, regional economic development groups and government to encourage all to play joint roles in improving local content outcomes (figure 1 on page 5).

The Code is an industry led initiative and while compliance with the Code is voluntary, it is strongly encouraged. Much has been achieved through the Code's voluntary approach to local content. Buying locally often makes commercial sense and demonstrates the sector's long-term commitment to its local communities. Implementing the Code can achieve several broader benefits:

- boost employment and economic growth in regional Queensland by expanding market opportunities for local industry;
- promote the long term sustainability of local economies; and
- gain and maintain the sector's social licence to operate.

QRC acknowledges and applauds the Queensland Government's support for the existing outcomes-based, flexible policy approach to achieving improved local content outcomes which commenced in 2013.

What is a full, fair and reasonable opportunity?

Full

means local industry has the same opportunity as other potential suppliers to participate in all aspects of a project from design through to completion, supply and ongoing maintenance.

Fair

means local industry is provided the same opportunity as other potential suppliers to compete for investment projects and other market-based contracts on an equal and transparent basis.

Reasonable

means tenders are free from any unreasonable specifications or requirements that could rule out local industry and are structured in such a way as to provide local industries the opportunity to participate.



Figure 1: A shared responsibility framework – incorporating regional economic development groups

ADOPTION OF THE CODE

Companies seeking project approval through the Queensland Government's Coordinator General's office are required to comply with the Code. However, outside of new projects, one key advantage of the Code is the ability to capture compliance from existing projects, which helps improve local content outcomes for Queensland regions on a voluntary basis.

The table below lists the companies that have adopted the Code in 2017-18. The number of member companies adopting the Code demonstrates the importance the industry places on this policy area.

Table 1: Companies that have adopted the Code

Adani	Glencore Coal	QER
APLNG (Origin Energy)	Glencore Copper	Rio Tinto
Arrow Energy	Glencore Zinc	Round Oak Minerals
BHP Billiton	GVK Hancock	Stanwell
Capricorn Copper	New Hope Group	Thiess Pty Ltd
ConocoPhillips	Peabody	WestSide
Ensham Resources	QCoal	Whitehaven Coal
Evolution Mining	QGC Pty Ltd	



LOCAL CONTENT QUANTITATIVE RESULTS FOR 2017-18

For the last nine years the QRC has asked its full members to submit expenditure data for goods and services, salaries, community contributions, and state and local government payments—all by postcode. Companies also detail interstate, New Zealand and other international supplier payments or purchases. QRC received postcode data from 44 of its member companies in 2017-18.

QRC takes care to ensure the data accurately reflects the point of expenditure. For example, QRC approaches contractor companies or key suppliers to substitute data for member companies' data to avoid large payments appearing in the Brisbane postcodes when expenditure occurred in the regions.

Direct contribution

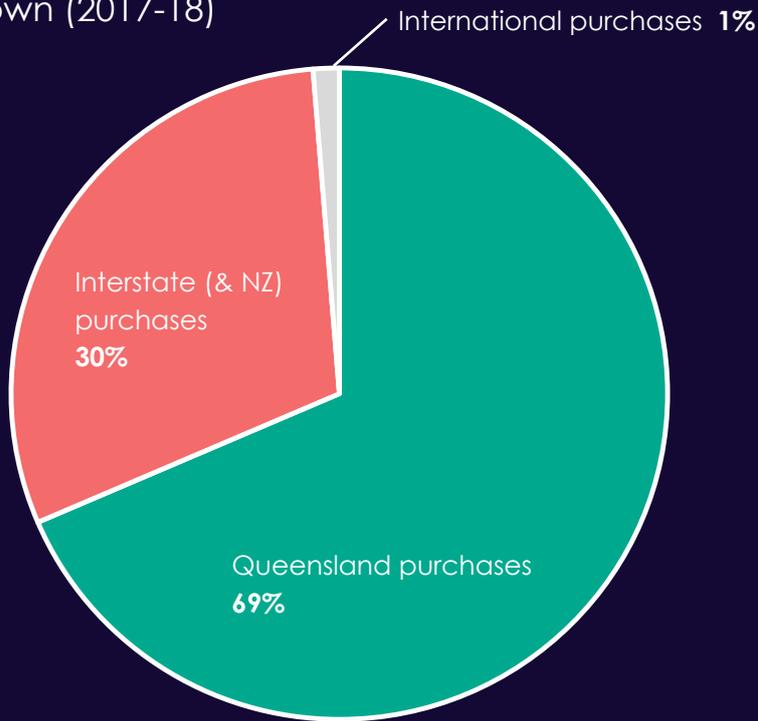
Across the 44 respondents for 2017-18, the Queensland resources sector procured \$28.14 billion in goods and services, comprising:

- **\$19.3 billion or 69% of purchases were from vendors located in Queensland.** This compares to \$16.2 billion or 64% in 2016-17— a \$3.1 billion or 19% increase in Queensland expenditure for the year.
- an additional \$8.5 billion or 30% was procured from interstate or New Zealand vendors (compared to \$8.6 billion in 2016-17)
- \$0.4 billion or 1% was procured from international vendors. This compares to \$0.6 billion or 2.3% in 2016-17.

Table 2: Queensland resources sector's direct contribution

Direct contribution	Queensland resources sector	
	Purchases (\$ billions)	Percentage (%)
Queensland purchases	\$19.3	69%
Interstate (& NZ) purchases	\$8.5	30%
Total Australia & NZ purchases	\$27.8	99%
International purchases	\$0.4	1%
Total	\$28.1	100%

Chart 1: Queensland resources & energy industry purchases breakdown (2017-18)

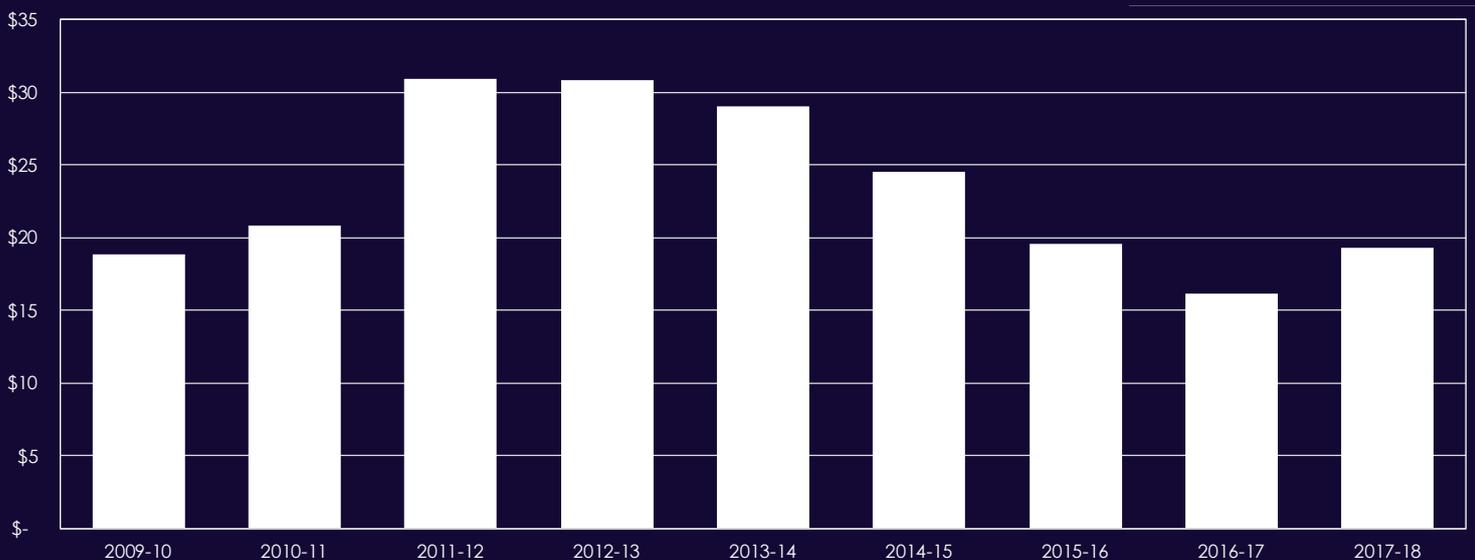


In the nine years since 2009-10, the Queensland resources sector has purchased \$210 billion in goods and services from suppliers in Queensland (chart 2 below).

More significantly, Queensland purchases increased for the first time since 2011-12.

Chart 2: Historical comparison of Queensland purchases (\$ billions, 2009-18)

\$210 billion since 2009



The resources sector contributes to economic activity right across Queensland—not just in the major centres. In 2017-18, the resources sector made over \$8 billion in purchases from over 8,000 suppliers outside of the greater Brisbane region.

Table 3 provides an overview of the top 20 local government areas (LGAs) by expenditure.

The typical ‘resource region’ LGAs feature strongly at the top of the list, yet the two largest LGA’s by expenditure—Brisbane and Mackay—do not have a single mine or petroleum lease.

Table 37: Direct Impact of Minerals and Energy Sector, Top 20 LGAs by Expenditure, 2017/18

Local government area	Residing employees (FTEs)	Associated salaries (\$M)	Business purchases, community and local govt payments (\$M)	Total direct spending (\$M)	Annual % change in direct spending
Brisbane	5,935	1,044.9	10,817.7	11,862.6	13.0%
Mackay	3,722	532.8	2,380.2	2,913.0	10.7%
Gladstone	3,098	373.2	1,057.9	1,431.1	58.9%
Central Highlands	3,139	435.8	636.0	1,071.7	-5.4%
Isaac	3,102	456.5	603.0	1,059.5	28.1%
Mount Isa	2,617	397.2	516.7	913.9	29.7%
Toowoomba	605	80.7	627.4	708.1	-9.6%
Rockhampton	1,086	156.6	351.1	507.8	9.3%
Whitsunday	650	87.1	388.3	475.4	121.5%
Townsville	1,626	219.7	200.3	420.0	-2.3%
Gold Coast	640	97.4	199.0	296.4	21.3%
Sunshine Coast	974	145.8	130.6	276.4	16.8%
Moreton Bay	1,075	173.0	99.8	272.7	5.8%
Banana	454	70.7	196.6	267.3	5.7%
Logan	331	46.8	205.0	251.8	10.0%
Livingstone	887	132.7	110.0	242.7	7.3%
Cairns	390	53.7	161.5	215.2	113.9%
Western Downs	412	58.4	136.0	194.4	-21.6%
Maranoa	112	18.3	169.9	188.2	32.0%
Weipa	766	101.8	69.4	171.2	91.5%

Source: page 48, 'Economic Contribution of the minerals and energy sector to the Queensland economy 2017/18'

Indirect contribution

The direct expenditure by the resource sector is only a fraction of the total contribution story. The sector's initial spending generates further activity as suppliers increase their own purchases. The extra employment created throughout the regions also generates further economic activity.

Combining the direct contribution data with an estimate of the flow-on benefits mentioned above (the indirect contribution) provides a complete picture of the Queensland resources sector's total contribution.

According to the expert economic modelling undertaken by Lawrence Consulting, the Queensland resources sector indirectly supported an additional 262,251 jobs and stimulated an additional spend of \$33.8 billion in the Queensland economy.

Total contribution to Queensland

The total economic contribution of the resources sector in 2017-18 was approximately \$62.9 billion. That means, directly and indirectly, the Queensland resources sector supports around **1 in 8 jobs and 1 in 5 dollars in the Queensland economy**.

More information on the local expenditure by resources companies in Queensland can be found in the Lawrence Consulting, ['Economic contribution of the minerals and energy sector to the Queensland economy 2017/18' Report](#).

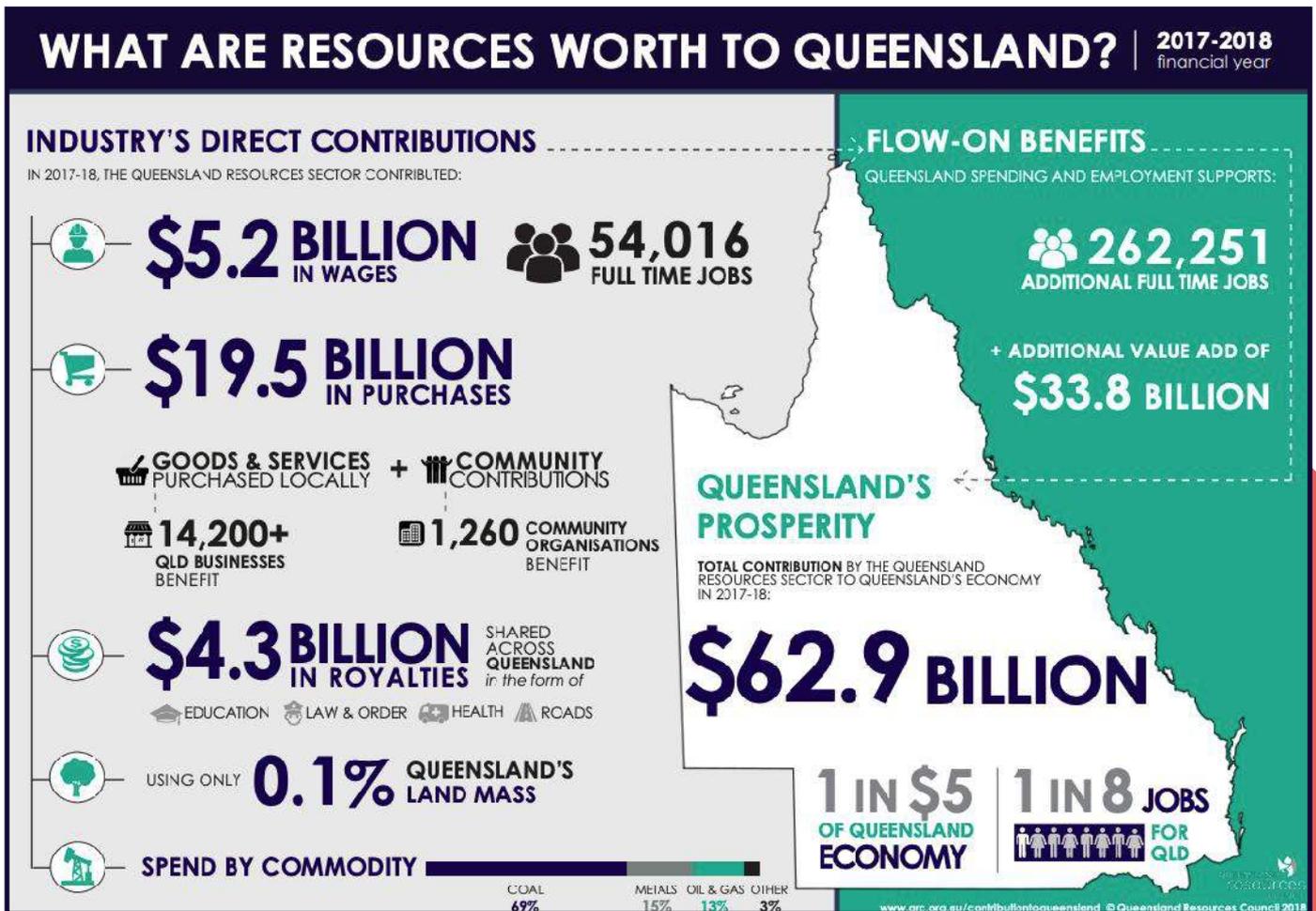


Image 1: QRC Infographic



Image 2: QRC Infographic

Procurement from Indigenous businesses in Queensland

QRC members were also asked to identify the procurement of goods and services from Indigenous businesses based in Queensland. In 2017-18, \$40.5 million was spent by QRC members across 104 different Indigenous businesses. However, the QRC considers the figure under-reports expenditure, as several QRC members indicated they are amending their reporting systems to better capture Indigenous business data.

INDIGENOUS BUSINESS CASE STUDY: *Rio Tinto & Northern Haulage and Diesel Services (NHDS)*

Northern Haulage and Diesel Services (NHDS) is a 100 per cent Indigenous-owned business within the resources sector, which has been contracted by Rio Tinto on the Western Cape continuously since 2009. Over nine years of working with Rio Tinto, NHDS has continued to diversify its services and develop its people to meet changing requirements.

In 2018, NHDS won the Exceptional Indigenous Business category at the 2018 Queensland Resources Council (QRC) Indigenous Awards. NHDS managing director Darrin Savo said, ***“Partnering with Rio Tinto at Amrun has been a chance to grow our business and provide meaningful employment opportunities for local Aboriginal people that support the sustainability of the region.”***

NHDS was recognised for its consistent safety performance, scope execution, and cost management on the delivery of Rio Tinto's Amrun Project's general services contract. The contract has also opened up new employment opportunities for people on the Western Cape and now boasts a 100 per cent local Aboriginal work crew.

NHDS was founded in July 2009 by brothers Darrin and Craig Savo. It is the largest 100 per cent Indigenous-owned and managed company on the Western Cape. The company specialises in the management and delivery of mining, civil, diesel haulage and labour hire services, and uniquely focuses on the training and mentoring of local Aboriginal people.

Rio Tinto has a long history of partnering with Traditional Owners on Cape York through three Aboriginal Agreements and has developed strong relationships with host communities. Amrun will provide jobs, support business development and contribute to socio-economic growth in the region for the next 50 years.

The Savo family history is intertwined with mining in the region. Ken Savo started as a 17-year-old steel fixer on the Humbug Wharf in the 1970s, a facility that served Weipa. He went on to work for the mine until his retirement. Ken encouraged his children Darrin, Craig and Katrina to always do their best.

“We continue to aspire to our father's vision for us to be working together in a business that is successful,” says Katrina, project supervisor at NHDS working on the Amrun Project.

“Our extended family is also involved. We want to show our people that they can do the same as we have done.”

The Savos have long been a family of ground-breakers. Katrina was one of the first Aboriginal females to complete the year-long training program with Rio Tinto in the 1980s, and Darrin and Craig founded NHDS, a 100 per cent Aboriginal-owned business. Ken, his children, and grandchildren have all worked at Rio Tinto over the years and said that their employment and business ownership enabled them to build their future.



Image: Katrina Savo, project supervisor at NHDS

Economic contribution to other Australian states and territories

The impact of the Queensland resources sector doesn't end at the border. In 2017-18, Queensland's resources and energy sector operations purchased an additional \$8.5 billion on goods and services interstate. Of the \$8.5 billion spent interstate, 50% of purchases were from the coal sector, 27% from the metals sector, and 23% from the gas sector.

Direct Economic Impact				
	Direct full time jobs	Associated salaries (\$ billions)	Goods and services purchases	Total direct stimulus (\$ billions)
QLD total	54,016	5.2	19.3	29.1
Rest of Australia	1,786	0.2	8.5	7.8
Total Australia	55,802	5.5	27.8	36.9
Flow-on economic impact				
	Indirect full time jobs	Associated salaries (\$ billions)	Value added \$ billions (second round)	
QLD total	262,251	23.0		33.8
Rest of Australia	82,858	6.6		12.5
Total Australia	345,109	29.5		46.3
Total economic impact				
	Total full time jobs	Value added (\$ billions)	% of GRP	% of total employment
QLD total	316,267	62.9	19.2%	13%
Rest of Australia	84,643	20.3	1.4%	1%
Total Australia	400,910	83.1	4.7%	3.3%

Table 4: Interstate and total Australian impact
Source: Lawrence Consulting

Including interstate purchases, total purchases from Queensland resources and energy operations reached \$27.8 billion in 2017-18. Lawrence Consulting estimates the total contribution of the Queensland resources sector to the Australian economy is over \$83 billion after accounting for the flow on impacts across Australia (see table above).

International procurement

As the Queensland resources sector matures the capabilities of local suppliers also increases; meaning less reliance on international purchases. In 2017-18, the Queensland resources and energy sector procured \$0.4 billion in goods and services from international businesses. That's equivalent to 1% of the sector's goods and services purchased for the year—a strong improvement on the \$0.6 billion or 2.3% of total purchases achieved in 2016-17.

Table 5 below lists countries that QRC member companies procured goods and services from across the year.

Bahrain	Hong Kong	Morocco
Belgium	India	Norway
Bosnia & Herzegovina	Indonesia	Panama
Canada	Iran	Poland
Cayman Islands	Ireland	Scotland
China	Israel	Singapore
Colombia	Italy	South Korea
Egypt	Japan	Spain
England	Kenya	Switzerland
France	Liberia	UAE
Georgia	Luxembourg	United States
Germany	Malaysia	Vietnam
Greece	Mongolia	

Table 5: International procurement

CASE STUDY: ConocoPhillips, GEA and Xtreme Engineering

In May 2018, Xtreme Engineering Pty Ltd was recognised by Australia Pacific LNG's downstream Operator, ConocoPhillips Australia, as part of its global Supplier Recognition Award Program. One of only 10 awardees worldwide, Xtreme Engineering was recognised for their work as part of ongoing maintenance at the LNG facility.

Xtreme Engineering provided specialised welding resources to deliver quality work in a safe and timely manner as part of ongoing maintenance at the APLNG Facility. As a high-quality planning, engineering and fabrication firm, Xtreme Engineering provided the on-site support of 25 employees during our recent shutdowns and off-site fabrication and planning work.

Xtreme Engineering General Manager, Scott Harrington, said he was delighted a local Gladstone business was recognised by a global company.

"Our work at the Australia Pacific LNG facility was part of an improvement process undertaken during recent outages and our team is proud to have been recognised for our efforts. We are a local Gladstone business so it's great that this type of work can be undertaken in the Gladstone region by Gladstone locals," Mr Harrington said.

ConocoPhillips, as the downstream operator of Australia Pacific LNG, has spent over AUD\$800 million with Gladstone businesses since 2011.



"We have worked with our key contract partners to maximise opportunities for local people and businesses, such as Xtreme Engineering, among others."

"Approximately 200 additional contractors are required for the shutdowns, with 73 percent local to Gladstone. They will support the existing 280 locally-based employees and contractors".

Image: Xtreme Engineering General Manager, Scott Harrington

OUR MEMBERS' ACTIVITIES TO IMPROVE LOCAL CONTENT OPPORTUNITIES

Investing in local capabilities builds further opportunities and our members continue to work with suppliers to create further opportunities across their supply chains. According to a QRC survey in 2017-18, 41% of QRC member CEOs said that over the last 12 months, they had engaged more local suppliers as a direct result of the increasing capabilities of suppliers in their region.

Creating more opportunities allows more suppliers to improve their capabilities. According to the same survey, 27% of QRC member CEOs said that in the past year, there had been a noticeable improvement in the speed of local suppliers, while 23% said the quality of the goods or services supplied by their local suppliers had improved.

However, there's not a single solution to improving local content outcomes. Our members continue to use a variety of methods to promote the full, fair and reasonable principle. These include:

- providing expression of Interest (EOI) alerts to regional industry groups and local chambers of commerce;
- running local supplier briefings and speaking at conferences on supply opportunities, prequalification and registration requirements;
- publishing EOIs on ICN Gateway with a link to the Gateway on company websites;
- compiling a local vendor database, distributed internally to the Contracts & Procurement team for consideration during the design of contracting strategies;
- conducting periodic reviews of procurement policies and procedures;
- maintenance of an online portal to communicate available work opportunities for local suppliers;
- publishing a local content policy on its website;
- not placing unreasonable specifications or requirements that rule out local industry; and
- engaging very early with local companies to desktop audit their systems and processes to build their capacity and capability
- setting internal targets for their company's share of spending on local businesses.

CASE STUDY: QER partnering with Frost Engineers & Green Technical Solutions

Queensland Energy Resources (QER) is a Queensland based company working to develop a new source of high-quality Australian-made transport fuel to help overcome Australia's increasing reliance on fuel imports.

When the company was looking for engineering expertise to review the care and maintenance strategy at its \$130m New Fuel's Development Centre at Gladstone, they looked local first and were delighted with the outcome. QER engaged two local firms to do the work – Frost Engineers for the structural and mechanical side of the plant, and Green Technical Solutions for the electrical side.

QER's Site Superintendent, Bruce Andersen managed the Project. **"Both firms were highly professional in the way they approached the work"** Mr Andersen said. **"Being local was a significant advantage in that the firms were on the same page from the start about the required safety standards and relevant technical standards and regulations"** he said.

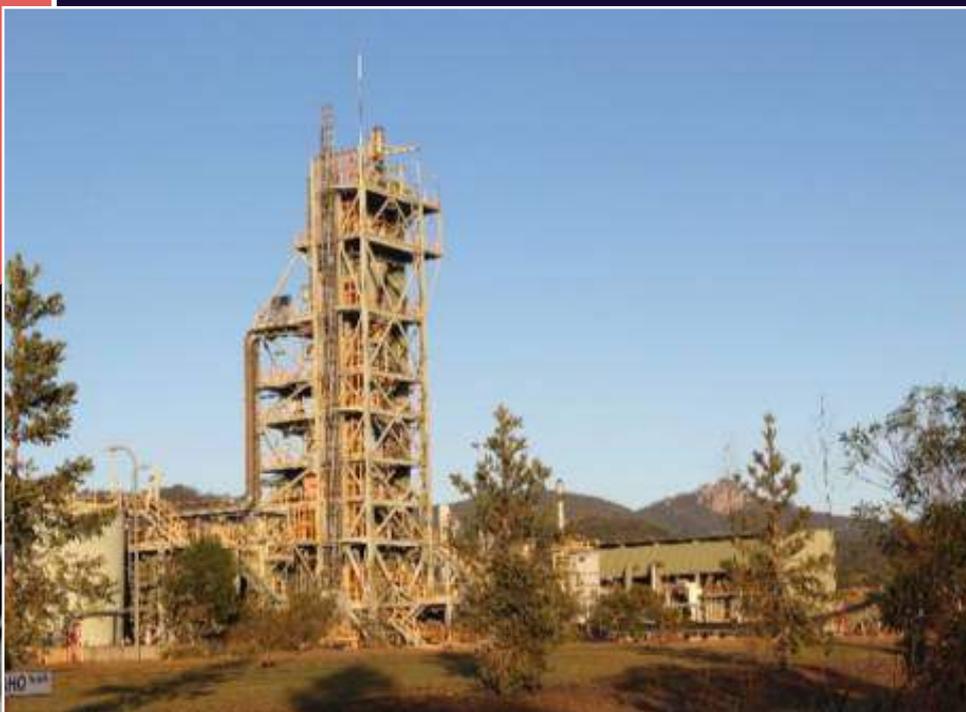
Mr Andersen said that the using a local firm also eliminated the cost and time associated with travel and provided better opportunities for one-on-one contact discussions between the engineers and the client, before, during and after the project. He said that the cost was less than engaging a city based firm **"...probably because we weren't paying for those fancy city office overheads"** he quipped.

Both firms completed thorough plant condition assessments and recommended state of the art, but pragmatic solutions to maximise the life of the plant, packaged in a very professional report, on time and on budget.

"Thanks to that work, we've introduced some new maintenance measures that we hadn't thought of using..." said Mr Andersen **"...such as gaseous phase corrosion protection.**

We have so many world class plants here in Gladstone – 3 LNG facilities, 2 alumina plants, an aluminium smelter, a major chemical plant and world class coal port, it's no accident that some of the best expertise in the world is right at our doorstep. Why wouldn't you look local first" he said.

Image: QER's New Fuels Development Centre at Gladstone



OTHER INITIATIVES TO IMPROVE LOCAL CONTENT

The QRC also acknowledges the ongoing focus of the Queensland Local Content Leaders Network (QLCLN) and the Joint Statement of Commitment: Maximising Industry Local Content in Regional Queensland.

This proactive project, initiated by the Central Highlands Development Corporation and supported by QRC, works to develop procurement and economic development initiatives. By working collaboratively, the QLCLN aims to improve the capability and sustainability of businesses across the Bowen, Galilee and Surat basins.

The QLCLN is a collective of regional local governments, industry and economic development representatives from the Bowen, Galilee and Surat basins, which grew out of acknowledgment that where it is difficult for an isolated region to achieve strong local content outcomes and progress opportunities, there is strength in partnership.

Under the initiative, the following signatories have committed to working with industry to maximise supply chain opportunities for local operators in regional areas, and to being a convenient communication point for industry and local businesses.

Signatories

- Central Highlands Development Corporation
- Capricorn Enterprise
- Toowoomba Surat Basin Enterprise
- Greater Whitsunday Alliance
- Central Highlands Regional Council
- Livingstone Shire Council
- Rockhampton Regional Council
- Toowoomba Regional Council
- Mackay Regional Council
- Banana Shire Council
- Gladstone Regional Council
- Isaac Regional Council
- Gladstone Engineering Alliance
- Resource and Industry Group
- Resource Industry Network
- Queensland Resources Council

More information can be found at <https://chdc.com.au/>

CASE STUDY: *Shell - Apprentices score big in Gladstone*

Yet another class of Gladstone apprentices will have the opportunity to earn a trade thanks to an ongoing relationship between Shell's QGC business and Score Group.

Valves are an essential part of the LNG transportation, cooling and storage process. For over five years, Score Group has played a major role in maintaining, repairing and modifying the valves used at Shell's QGC LNG plant on Curtis Island.

The business relationship enables Score to meet its goal of taking on up to 10 new local apprentices each and every year. Nine Gladstone-based apprentices started their four-year journey with Score at the start of 2019.

The apprentices spend the first 12 months at Central Queensland University (CQU), undertaking all of the components of a Certificate IV in Engineering. They spend the remainder of their apprenticeship back at Score's Gladstone workshop, where they're given the opportunity to work through the different parts of Score's operations. This includes everything from working alongside a senior engineer to being placed with the health, safety, environment and quality team.

The success of the program saw Score recognised as a regional finalist at last year's Queensland Training Awards.

First-year apprentice Josh Brady, 19, said he was excited by the opportunity to start his new career in such an exciting field.

"I am very grateful to be an apprentice with Score group and I'm keen to learn the ins and outs of the fitting and machining trade from professionals," Josh said.

"So far we have been taught the basics and can say I'm loving it already. I'm excited to see what my future with Score will hold."



Angus Holzberger has just commenced the second-year of his apprenticeship in Score's Gladstone workshop. Angus said he was looking forward to putting the knowledge he learned at CQU into practice, getting out to Curtis Island, taking on new challenges and developing his skills further.

ADDITIONAL LOCAL CONTENT CASE STUDIES

CASE STUDY:

Shell's QGC Business Navigators – Helping local businesses turn their ideas into a reality

When people think of start-ups most imagine Silicon Valley, not the Surat Basin. However, home-grown, local businesses are being supported to commercialise new ideas thanks to a partnership between Shell's QGC business and Toowoomba and Surat Basin Enterprise.

The Business Navigators program was developed following extensive community feedback. Communities in the Western Downs said supporting local business and building a strong, diversified economy was important to them.

The program links local businesses with full-time coaches, or 'navigators', who assist them in turning their ideas into reality. The navigators provide one-on-one, face-to-face coaching to help locals turn these ideas into a commercial product.

In just one year, 45 Western Downs businesses across 20 industries have been supported on their growth journey. Sixty per cent of those businesses are starting up new ideas. A further 60 per cent of participants are female business leaders.

The program also includes a business innovation competition - 'The Pitch Challenge'. Entrants get the opportunity to showcase their ideas to expert judges. All finalists receive pitch training and resources to make their proposal even stronger.



Last year's Pitch Challenge saw \$34,000 in prizemoney awarded to nine finalists. The winners have used this competition as a springboard to secure opportunities to build their businesses.

Business Navigators is one of several projects supported by Shell's QGC business to drive regional economic development.

Image: Young Western Downs entrepreneur Nathan Pfeffer at last year's Business Navigator's Pitch Challenge.

CASE STUDY:

Resource Industry Network's Regional Innovation Accelerator

In 2018, the Resource Industry Network (RIN) secured funding from METS Ignited to run a Regional Innovation Accelerator, and joined the Toowoomba and Surat Basin Enterprise (TSBE) and Gladstone Engineering Alliance (GEA) in project managing the pilot program.

The program targeted innovative businesses in the regions, and provided training to assist them with the skills to pitch their products to suppliers. KPMG partnered with RIN to deliver three industry-specific workshops designed to hone the company's skills. The aim was to accelerate their business success, by bringing the best of the regional supply chain to Brisbane and helping them capture the attention of the resource industry at a regional showcase event.

Two great examples of local businesses who took advantage of the RIN pilot were Link N Light LED lighting and C2H Piping Services.

Link N Light LED lighting

A great example was the Link 'N Light industrial LED lighting system, which offered a revolutionary and easy to install system of lighting. The 'plug-and-play' flexible cabling and light unit is made to last and can withstand the tough, harsh mining, tunnelling and industrial environment with a IP rate of 66. Link 'N Light is an extra low voltage system which does not require an electrician to install. The strip lighting can be installed in runs in excess of 180 metres. Link N Light is a product solution by East West Lighting, a locally owned and operated business in Mackay servicing the Bowen Basin and beyond.



C2H Piping Services



C2H Piping Services supplies specialist polyethylene pipe fittings and services for various agricultural, commercial and industrial uses. Their leading innovative products and services are used throughout Queensland in the transmission of water, sewerage, gas and chemicals. With broad construction knowledge of coal and hard rock mining, dewatering/evaporative controls, civil, local, state and federal government construction requirements, upstream gas gathering network, water and hazardous materials transfer, C2HPS delivers capability, experience, integrity and a safety focused culture which assures the most comprehensive service in the poly industry. Embracing our TRI-SERVICE Business Model of Project Solutions, Products and Equipment Hire ensures they can rapidly adapt to their client's project requirements.



CASE STUDY: New Hope Group: Ireland Engineering

Ireland Engineering is a full service engineering business and long term local supplier to New Acland Mine, near Oakey on the Darling Downs.

Ireland Engineering was started by Oakey locals Clint and Fiona Ireland in 1999 and has since grown to a staff of 31 employees and contractors. Since beginning their partnership with New Acland Mine in 2009, annual gross turnover at Ireland Engineering has grown from around \$500k to an excess of approximately \$2.5 million.

Now an important local employer, Ireland Engineering provides services to both the mine and the local district and has worked in partnership with New Hope Group to build capacity to support the mine's growing operational and maintenance needs.

In addition to providing local jobs, Ireland Engineering also has a sizeable local spend, sourcing the majority of its equipment, vehicles and consumables from local businesses in Oakey and the surrounding area.

Their services include labour for Coal Handling Preparation Plant maintenance, professional engineering, vehicle modification and more recently mechanical fitters for washplant maintenance and boilermakers for the sites heavy vehicle workshop.

The mine and Ireland Engineering have worked closely together to design and produce an array of specialised mining components including conveyor and crusher components and heavy vehicle ground engaging components.

Design is overseen internally by New Hope Group and later engineered and manufactured by Ireland, for trial and implementation at the mine site. Partnership with the mine has allowed Ireland Engineering to upskill its workforce and broaden its capacity, allowing the business to grow and better serve both the mine and the wider local area.



CASE STUDY: BHP's Local Buying Program

The Local Buying Program was originally established in Queensland in 2012 to support small businesses in the Central Highlands, Isaac and Mackay local government areas, enabling stronger engagement with BHP Billiton Mitsubishi Alliance (BMA) and BHP Billiton Mitsui Coal (BMC).

The Local Buying Program is delivered in partnership between BHP and C-Res, a cost neutral entity that proudly continues to deliver the Local Buying Program for all BHP Minerals Australia assets nationwide.

Recognising the challenges experienced by smaller businesses to engage as a supplier of BHP, the Local Buying Program makes it simpler and easier for these businesses to competitively bid for supply opportunities released by BMA and BMC operations. All transactions through the Local Buying Program are on 21-day payment terms, from receipt of invoice.

A critical element of the Local Buying Program is the Local Buying Foundation. The foundation aims to enhance the economic sustainability of local regions through the support of programs and initiatives, targeting local business training and development needs. For every transaction processed through the Local Buying Program in Queensland, BMA/BMC makes a financial contribution to the foundation.

In 2017-18 the Local Buying Program spent \$83.5 million with local businesses in Queensland, approved 772 local businesses to supply via the program and created 6,318 work opportunities. The table below provides a breakdown of the program's major achievements by region.

	Approved Spend	Approved Suppliers	Approved Work Opportunities
Mackay Region	\$ 43,679,642	423	2,377
Isaac Region	\$ 27,277,401	183	2,993
Central Highlands Region	\$ 12,538,495	166	948
TOTAL	\$ 83,495,538	772	6,318



CASE STUDY:

Fuelling more local jobs – partnership between Shell's QGC business and Easternwell

A five-year partnership between Shell's QGC business and Easternwell is sustaining more than 300 jobs and increasing opportunities for local businesses in the Surat Basin.

New well-servicing rigs are being built in Toowoomba – by local employees and local businesses.

The partnership has increased procurement opportunities for businesses in the Surat Basin. Last year Shell's QGC business spent more than \$250 million with suppliers across the region. Vice President of Shell's QGC business, Tony Nunan, said: **“Our natural gas business is a multi-decade investment across the region, helping create jobs, boost income for communities and increase domestic energy supply.”**

Natural Resources and Minister Dr Anthony Lynham, who visited Toowoomba for the announcement last year, called the partnership a major injection in the city's economy.

“The south-west Queensland gas industry continues to fuel Toowoomba and the Downs's economy when it comes to jobs and business opportunities,” Dr Lynham said.

Image: Celebrating the signing of the partnership were Toowoomba Regional Councillor Chris Tait, Natural Resources, Mines and Energy Minister Dr Anthony Lynham, Vice President of Shell's QGC Business Tony Nunan, Chief Executive, Resources Tim Phelan and Toowoomba and Surat Basin Enterprise CEO Ali Davenport.



CASE STUDY: H.E.M.E. Pty Ltd

HEME has been servicing the Mining, Civil and Agricultural industries within the Central Highlands with engineering solutions by providing a 'One Stop Shop' for fabrication, machining, certification, sandblasting and painting since 1997.

This local small business currently employs 26 local, full time (equivalent) employees across five trades which includes administration, tradesmen, apprentices and school-based trainees. All of whom live and contribute to the local region.

HEME has ISO accreditation for health & safety, quality and environment and continually reinvest in new technologies and services to the region to be able to service the resource sector more efficiently locally.

The resources sector has been essential to allow HEME to grow and contributes 85% of its annual turnover. 50% of raw materials and parts are sourced through local small businesses that strengthens the local economy.

HEME is an award-winning leader in local industry and have bought many firsts for the region in services not offered outside of the Metropolitan area before. HEME would struggle to sustain the fulltime work and business viability without the investment stream from the resource sector into the region.



2018 CODE EFFECTIVENESS REPORT

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