QUEENSLAND resources COUNCIL

2019 CODE EFFECTIVENESS REPORT

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

July 2020

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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.

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EXECUTIVE SUMMARY

For a global industry, local content remains crucial to Queensland's resources operations. The sector looks to local suppliers as a way of reducing costs, reducing risks and increasing the long-term sustainability of their communities. A local supplier is more likely to be responsive to the industry's needs and to suggest the improvements that spur innovation.

Local purchases of goods and services is good news for our local economy too. Local spending creates local jobs, creating opportunities that keep communities vibrant.

The *Queensland Resources and Energy Sector Code of Practice for Local Content* is a best practice framework for 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 2019 provides a snapshot of the sector's local content results and achievements over 2018-19. The report also includes several case studies of companies working with their local suppliers to create opportunities and build capabilities.

Across the year, the Queensland resources sector built on the local content achievements of 2017-18. For 2018-19, the QRC is delighted to report that expenditure with Queensland suppliers jumped from $19.3 billion in 2017-18 to $22.4 billion in 2018-19. This increase brings the total proportion of expenditure with Queensland suppliers to 71% of all expenditure, a further 2 percentage point increase on last year's result.

The sector also achieved record expenditure with Queensland Indigenous businesses across the year. In 2018-19, QRC members reported almost $70 million of expenditure with Indigenous businesses, around a 72% increase on the $40.5 million in reported expenditure with Indigenous businesses in 2017-18.

Queensland's wealth of local supplier success should be little surprise to the sector. In this year's survey on local content outcomes, 37% of QRC member CEOs agreed that capabilities of local suppliers had increased, with no CEOs reporting a decrease. Queensland's local suppliers are also improving their timeliness, with 37% of CEOs agreeing the timing of goods and services delivered had improved with only 5% noticing a decrease.

"We have a broadly positive view of local suppliers who are eager to participate in, and in some cases drive, innovation to reduce unit costs thereby providing improved stability of demand and revenue"

QRC Local content survey 2020

There's more good news on the horizon, with QRC member CEOs forecasting opportunities for local suppliers to grow across 2020. 72 per cent of CEOs said they expect to increase their expenditure with local suppliers over the next 12 month and no CEOs expected to decrease their use of local suppliers.

The QRC gathered these survey results in February 2020, prior to the full impact of COVID-19 becoming apparent. While the sector faces challenges managing the welfare of its workers and communities, the resources sector remains an essential industry, which must continue to support the economy through the pandemic. That makes the sector's local suppliers just as essential.

INTRODUCING THE CODE FRAMEWORK

The QRC is pleased to present its sixth Code Effectiveness Report (2019) (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 all encouraged to play joint roles in improving local content outcomes (figure 1 on next page).

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 whenever it makes commercial sense helps demonstrate 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
- maintain and build the sector's social licence to operate.

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.

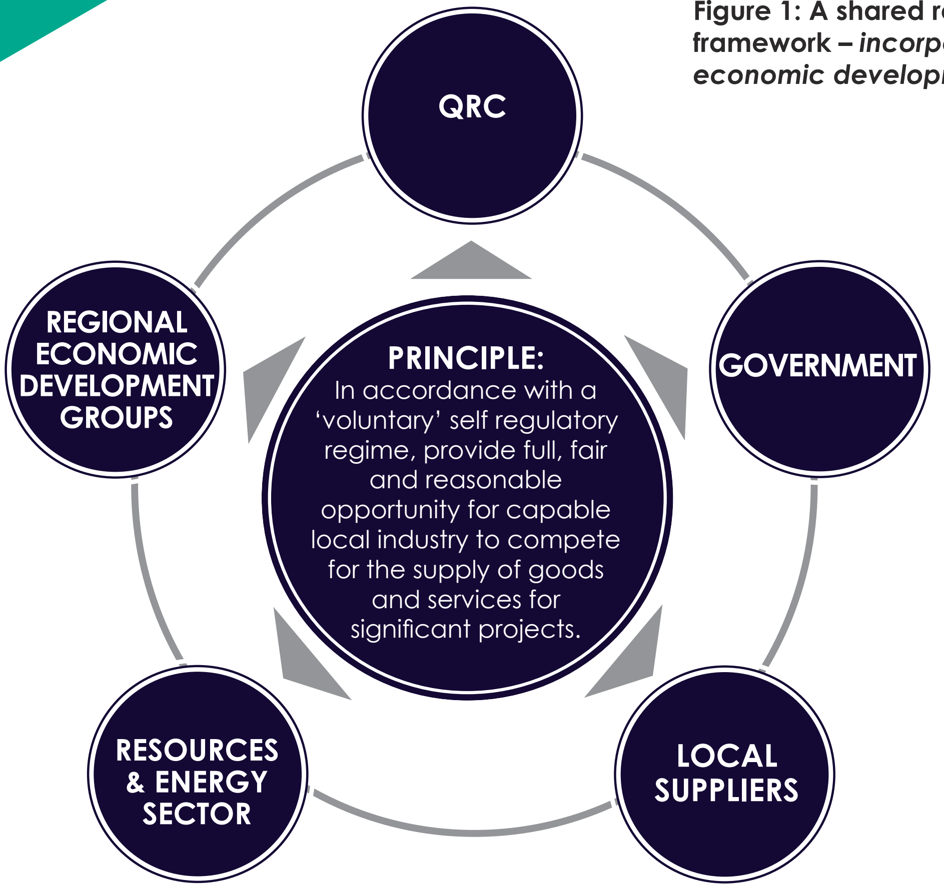


Figure 1: A shared responsibility framework – *incorporating regional economic development groups*

ADOPTION OF THE CODE

Companies seeking project approval as coordinated projects 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 2018-19. The number of member companies adopting the Code demonstrates the importance the industry places on this policy area.

Table 1: QRC members that have adopted the Code

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

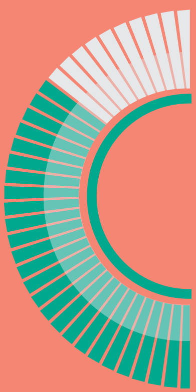
LOCAL CONTENT QUANTITATIVE RESULTS FOR 2018-19

For the past ten years the QRC has asked its full members to submit annual 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 56 of its member companies in 2018-19.

QRC takes care to ensure the data most 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

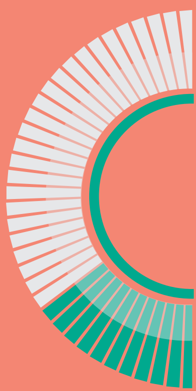
Across the 56 respondents for 2018-19 the Queensland resources sector procured **$31.5 billion in goods and services**, comprising:



71%

$22.4 billion or 71% of purchases were from vendors located in Queensland.

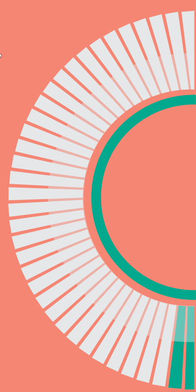
This compares to $19.3 billion or 69% in 2017-18 - a $3.1 billion or 16% increase in Qld expenditure for the year.



25%

$8 billion or 25% of purchases were from interstate or New Zealand vendors.

This compares to $8.5 billion or 30% in 2017-18.



4%

$1.1 billion or 4% of purchases were procured from international vendors.

This compares to $0.4 billion or 1.3% in 2017-18.

Table 2: Queensland resources sector's direct contribution

Direct contribution	Queensland resources sector	
	Purchases ($ billions)	Percentage (%)
Queensland purchases	$22.4	71%
Interstate (& NZ) purchases	$8.0	25%
Total Australia & NZ purchases	$30.4	96%
International purchases	$1.1	4%
Total	$31.5	100%

In the ten years since 2009-10, the Queensland resources sector has purchased $232 billion in goods and services from suppliers in Queensland (chart 1). More significantly, Queensland purchases increased for two consecutive years for the first time since 2011-12. This year's result is highest outside of the peaks between 2011-12 and 2014-15, which were driven by Queensland's LNG project construction.

The resources sector contributes to economic activity right across Queensland—not just in the major centres.

In 2018-19 the resources sector made $10.6 billion in purchases from over 8,000 suppliers outside of the greater Brisbane region.

Chart 1: Historical comparisons - $232 billion in ten years

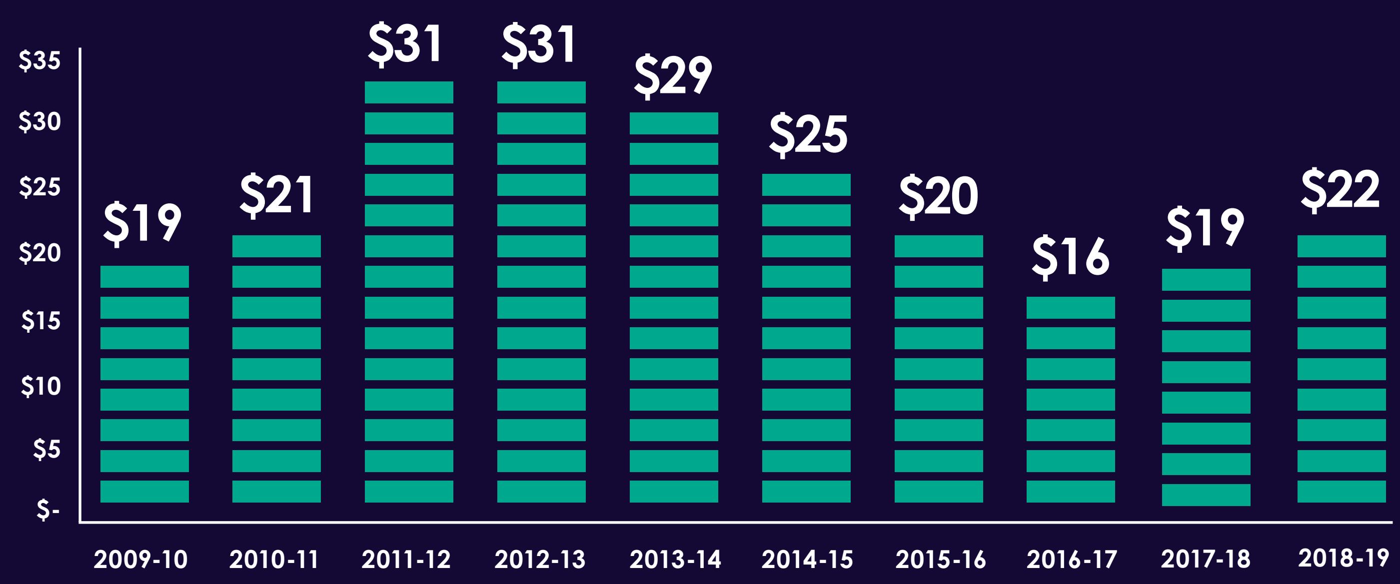


Table 3 provides an overview of the top 20 local government areas (LGAs) by expenditure. The typical 'resource region' LGAs feature strongly at the top of the list, yet the two largest LGA's by expenditure—Brisbane and Mackay—do not have a single mine or gas well.

Seventeen of the top twenty LGAs recorded experienced resources expenditure in 2018-19. Major resources towns such as Toowoomba and Weipa experienced moderate declines in expenditure this year as projects moved from construction to operations.

Table 3: Direct Impact of Minerals and Energy Sector, Top 20 LGAs by Expenditure, 2018-19

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	5,460	992.7	11,420.40	12,413.2	4.6%
Mackay	4,284	609.7	3,627.90	4,237.6	45.5%
Gladstone	3,318	430.2	1,798.20	2,228.3	55.7%
Central Highlands	2,603	373.5	872.9	1,246.3	16.3%
Isaac	3,138	477.7	648.5	1,126.2	6.3%
Mount Isa	2,445	363.1	567.4	930.5	1.8%
Toowoomba	644	79.3	600.2	679.5	-4.0%
Rockhampton	1,098	166.5	501.8	668.3	31.6%
Townsville	1,766	227.7	435.3	663.1	57.9%
Whitsunday	793	110.3	367.3	477.6	0.5%
Banana	853	135.6	288.7	424.3	58.7%
Sunshine Coast	1,080	165.3	241.5	406.8	47.2%
Gold Coast	683	106.4	259.6	365.9	23.5%
Moreton Bay	1,011	163.8	168	331.8	21.7%
Logan	371	52.4	255.7	308.2	22.4%
Livingstone	962	145.4	154.3	299.8	23.5%
Western Downs	532	71.8	164.7	236.5	21.6%
Cairns	383	51.2	174.2	225.4	4.8%
Ipswich	401	54.8	104.9	159.7	-0.5%
Weipa	770	108.7	44.1	152.8	-10.7%

Source: page 48, 'Economic Contribution of the minerals and energy sector to the Queensland economy 2018/19'

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 to meet demand (supply chain effects)
- the increasing jobs and population drive further spending in the region (consumption effects).

Combining the direct contribution data with an estimate of the flow-on benefits mentioned above 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 319,996 jobs and stimulated an additional spend of $40 billion in the Queensland economy comprising $25 billion in supply chain effects and a further $15 billion in consumption effects.

319,996
ADDITIONAL JOBS

$40 BILLION
ADDITIONAL SPEND

Total contribution to Queensland

After accounting for the indirect contributions above, the total economic contribution of the resources sector in 2018-19 was approximately $74.3 billion. That means, directly and indirectly, the Queensland resources sector supports around 1 in 5 jobs and 1 in 7 dollars 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 2018/19 Report'.*

1,395
COMMUNITY ORGANISATIONS BENEFIT

RESOURCES SECTOR FOOTPRINT
0.1%
TOTAL QUEENSLAND LAND SURFACE USED BY SECTOR

Procurement from Indigenous businesses in Queensland

QRC members were also asked to identify their procurement of goods and services from Indigenous businesses based in Queensland. In 2018-19, the sector achieved a record $69.6 million in expenditure across 87 different Indigenous businesses in Queensland. That's a 72% increase on the $40.5 million reported in 2017-18.

Some of this expenditure growth is due to the efforts of QRC members to improve their reporting capabilities with 26 member companies now reporting expenditure with Indigenous businesses. That is a 37% increase from the 19 members that reported Indigenous business expenditure in 2017-18.

Despite the improvement, the QRC considers the figure under-reports the entire amount, as several QRC members continue to update their reporting systems to better capture Indigenous business expenditure data.

INDIGENOUS BUSINESS CASE STUDY:
Black Cat Civil

Black Cat Civil is a proudly Indigenous owned company founded by Jai Tomlinson and Brendan Flynn, working throughout Australia in the civil, rail, mining and construction industries.

Black Cat Civil was initially sub-contracted to deliver a scope of works at BHP's Caval Ridge Mine. Black Cat Civil work was characterised as "standout", achieving the Zero Harm goal, delivering quality specifications consistently and on time and contributed significantly to a successful project. Black Cat Civil has now been contracted direct to BHP as a principal contractor for works at Peak Downs and Goonyella.

Black Cat Civil has demonstrated a high level of capability and performance, establishing itself as a role-model for Indigenous capability in the industry. It's no surprise that Black Cat Civil was named Exceptional Indigenous Business in the 2019 QRC Indigenous Awards, which recognises exceptional achievement by an Aboriginal or Torres Strait Islander business supplying the Queensland resources sector.

The company is committed to making positive contributions to the community and continues to set new standards in engaging Indigenous personnel who make up 35% of their 150-plus workforce.

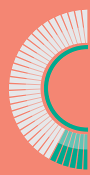
Economic contribution to other Australian states and territories

The impact of the Queensland resources sector doesn't end at the border. In 2018-19, the Queensland's resources and energy sector operations purchased an additional **$8 billion on goods and services interstate**. Of the $8 billion spent interstate, 68% of purchases were from the coal sector, 16% from the metals sector, and 13% from the gas sector.

Each commodity group achieved similar interstate performance, with interstate expenditure ranging between 22% and 26% of total expenditure in 2018-19.

68%

from **coal** sector



16%

from **metals** sector

13%

from **gas** sector

Including interstate purchases, total purchases from Queensland resources and energy operations reached $30.4 billion in 2018-19. Lawrence Consulting estimates the total contribution of the Queensland resources sector to the Australian economy is almost $95 billion after accounting for the flow on impacts across Australia (see table below).

Table 4: Interstate and total Australian impact

Direct Economic Impact				
	Direct full time jobs	Associated salaries ($ billions)	Goods and services purchases ($ billions)	Total direct stimulus ($ billions)
QLD total	52,595	6.1	22.4	34.3
Rest of Australia	2,698	0.4	8.0	8.5
Total Australia	55,293	6.5	30.4	42.7
Flow-on economic impact				
	Indirect full time jobs	Associated salaries ($ billions)	Value added $ billions (second round)	
QLD total	319,966	27.2	40.0	
Rest of Australia	89,987	7.1	12.5	
Total Australia	409,953	34.4	52.4	
Total economic impact				
	Total full time jobs	Value added ($ billons)	% of GRP	% of total employment
QLD total	372,561	74.3	21.3%	15.3%
Rest of Australia	92,684	20.5	1.4%	0.9%
Total Australia	465,245	94.7	5.1%	3.8%

Source: Lawrence Consulting

International procurement

The maturity of Queensland's resource sector means Queensland has a wealth of highly capable local suppliers, reducing the sector's reliance on international procurement. In 2018-19, the Queensland resources and energy sector procured $1.1 billion in goods and services from international businesses. That's equivalent to 3.6% of the sector's goods and services purchased for the year.

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

Table 5: International procurement

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	

Source: Lawrence Consulting

CASE STUDY:
Mainetec delivers innovative excavator bucket

Resource Industry Network member Mainetec officially launched its innovative Hulk excavator bucket in August 2019 after years of research and development.

The Mackay-based heavy engineering and fabrication company has created a lighter, liner-less bucket, which is locally built and boasts all-Australian sourced materials.

The bucket has been experiencing great success and is ticking all the right boxes for those in the sector with the first Hulk travelling to the iron ore fields in Western Australia after the launch.

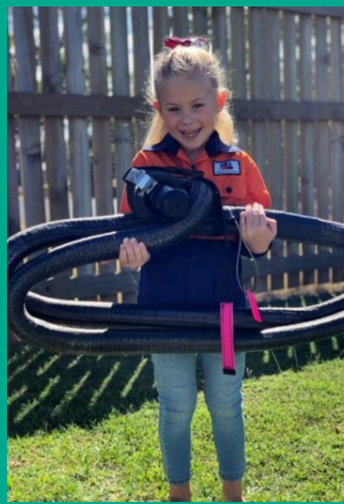
Managing director Brett Hampson said the Hulk was set to be big growth area for the business.

CASE STUDY:
Big innovation coming from small town with Local Buying Program supplier

Small Business Owner and BMA Saraji Employee, Josh Leppard, has been recognised with a 2019 QLD Innovation Award for his innovative and practical solution to heavy shackles and slings.

After a fatality on New Year's Eve, 2018, involving a bulldozer rolling down an embankment, first respondents required heavy duty slings and shackles to upright the dozer. Traversing down a steep embankment at night, carrying shackles weighing about 62kg each, led to significant manual handling risks to the people involved.

Josh, the owner of Local Buying Program (LBP) business, Soft Rigging Solutions, was able to call on his previous sailing experience, where he had used lightweight synthetic couplings made specifically for the marine industry to reduce the weight while still providing the strength needed to recover large machines. Josh immediately saw how the principles used in the marine context would translate to the mining and heavy industry sector.



Images: Josh & Natasha Leppard with his Queensland Innovation Award and his daughter Alliara with the product which earned him the award.

After working with a manufacturer to replicate this technology within the mining industry, prototypes were designed and tested. These have now been purchased by numerous sites for use in the field.

The comparison is an 8.2kg weight to carry with the new, light-weight couplings, compared to the 62kg D-Shackles which had been used previously.

The reduced weight also allows for a single person to connect the recovery gear prior to extraction, which takes away the requirement for a two-person lift in usually compromised, rough/wet terrain where machines become bogged or require towing.

CASE STUDY:
Resource Industry Network shows support for an innovation showcase

Resource Industry Network facilitated an innovation showcase through 2019 attending five national expos right across the country. They included the Modern Mining Innovation Showcase in Canberra, the Austmine Conference in Brisbane, AIMEX in Sydney, IMARC in Melbourne, and the WA Mining Expo in Perth.

Showcasing under the banner of Mackay Engineering & Industrial Hub, much success was made in raising the profile of the Mackay, Isaac, Whitsunday regions world-class METS businesses and their innovations.

Participating businesses included Linked Group Services, East West Lighting, Mackay Conveyor Equipment, Diacon Australia, M&P Services, Mastermyne, PIMS Group, Maintenance.ai, and AssetOn.

OUR MEMBERS' ACTIVITIES TO IMPROVE LOCAL CONTENT OPPORTUNITIES

QRC members recognise that investing in local suppliers' capabilities will create further opportunities across their supply chains. That is why in 2018-19:

- more than half of QRC member CEOs said their **companies ran programs to increase opportunities and the capabilities of local suppliers** such as pre-qualification workshops, training or mentioning programs and contractor forums
- nearly 50% of QRC members CEOs reported setting **internal targets for expenditure with local suppliers**, with 21% setting their target at over 50% of their total expenditure.

"We work with local suppliers to assist them in coming up to standard in areas such as health and safety. We also interact with our workforce, who are all locally based, for suggestions and information on local suppliers and services"

QRC Local content survey 2020

There's not a single solution to improving local content outcomes. Our members continue to use a variety of methods to promote the principle of full, fair and reasonable opportunity. 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. For example, the Gladstone Supply Chain Expo;
- 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. For example, see Shell QGC's Local Suppliers Portal;
- publishing a local content policy on its website;
- ensuring that specifications or requirements don't inadvertently 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.

"Local suppliers are excellent; we use them for the majority of our needs."

QRC Local content survey 2020

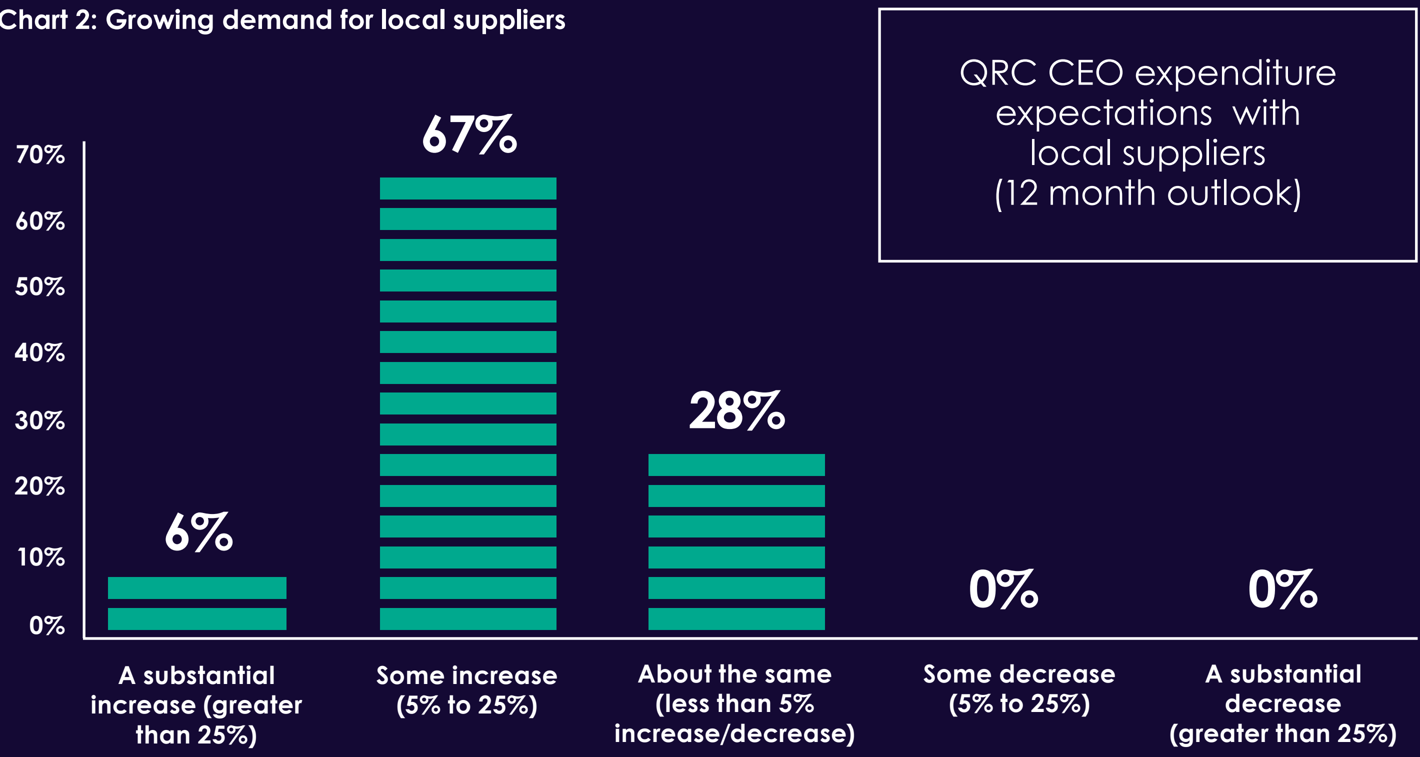
This proactive approach is delivering noticeable improvements for local suppliers. In the past year, 47% of CEOs said they had increased their use of local suppliers as a result of their increased awareness of local capabilities. Furthermore, 37% of CEOs agreed that capabilities of local suppliers had increased, with not a single CEO replying that local capabilities had decreased.

According to the same survey, 37% of QRC member CEOs said that in the past year, there had been a noticeable improvement in the delivery times of local suppliers, while only 5% reported a weakening in delivery times. It was a similar story for quality of goods and services supplied, with 42% of CEOs commenting that the quality from their local suppliers had improved and only 6% pointed to a decline.

Opportunities for local suppliers are set to grow over the coming year. According to the same survey, 72% of QRC member CEOs said they expect to increase their expenditure with local suppliers over the next 12 months. In addition, no CEOs expect a decrease over the same year (see chart 2).

The QRC gathered these survey results in February 2020, prior to the full impact of COVID-19 becoming apparent. Despite the health challenges, all levels of government have recognised the resources sector as an essential industry, which must continue to operate. Therefore these forecasts are likely to hold as the sector's reliance on local suppliers proves to be more crucial than ever.

Chart 2: Growing demand for local suppliers



Source: QRC Local content survey 2020
Note: The percentages above do not add to 100% due to rounding

CASE STUDY:
Senex sharing the benefits with local business

A thriving local economy is good for the community and good for business—it provides jobs for locals and a broader range of suppliers for the industry. It's for these reasons that Senex buys goods and services from businesses in local communities wherever possible and strongly encourages its contractors to do the same.

"Prioritising local suppliers has many mutual benefits," says Senex's Contracts and Procurement Manager Christopher Broom. "We save approximately 15-20 per cent using smaller local suppliers compared to large businesses located further away because we avoid transport costs and the need to accommodate large external teams on site."

To grow local opportunities, Senex engages with local enterprises early. This includes running regular information sessions to share project updates and explain the types of goods and services Senex is looking for locally.

In 2019, Senex held five community drop-in sessions in Miles, Wandoan and Roma to provide updates on its natural gas projects and opportunities for local suppliers. Technical and procurement experts were on hand to answer any questions.

The strategy has delivered results. In 2019, Senex signed a $1 million deal with Roma-based Huracan Pty Ltd to supply and install gauges for wells in both Project Atlas and Roma North.

Huracan is providing permanent pressure monitoring of each gas well – industry best practice from an innovative local supplier. Huracan was established by Jon and Katrina Hollingworth in 2012 to provide specialist services to the region's natural gas industry.

"Working with Senex has increased hours for my staff and we hope it will build to bigger and better things for us so we can employ more local people."

Last year, Senex also awarded Roma's family-owned Café 54 the contract to supply daily lunch packs for drilling rig crews. The contract has provided a significant boost to the business, which employs 10 people across the café, tucker trucks and a catering business.

Café 54 Manager, Terri Radunz said "Working with Senex has increased hours for my staff and we hope it will build to bigger and better things for us so we can employ more local people."

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 government, 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.

The QLCLN recently released its report which sought to answer the question "what is local?".

Based on extensive, independent research, the QLCLN found a local business comes in a variety of forms and cannot only be linked to a long-term physical presence in a region.

QLCLN found that a better for definition of a local business counts those businesses making a significant contribution to local economic activity, including those businesses which have a significant physical presence in the local area and businesses which are not owned locally but provide goods, services and labour that are primarily produced or supplied within the local area.

QLCLN research proposes a six-tiered model of procurement where the priority is on the immediate local or natural economic zone of a region. If the goods or service cannot be supplied from the local zone, the procuring company's focus should then shift to procuring from a regional area close-by.

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: supporting local cafe is good for business

The Tara Café had a brand-new look at this year's Festival of Culture and Camel Races.

This year, the café's staff were decked out in brand new uniforms. And it's all thanks to a small catering contract with Shell's QGC business.

The café recently delivered food to hundreds of workers as they finished shifts during the recent shutdown of the Jordan processing plant.

Tara Café owner Karen Brauer said the positive impact of this contract had been felt across many Tara businesses.

"You don't realise how much of a roll-on effect it has when you support one local business in town, because I was getting my bread from the local bakery and milk from the milkman," Karen said.

Karen used the extra money coming into the café to purchase new staff uniforms that were "desperately needed" from another local business, The Modern Trend.

The uniforms arrived just in time for the festival and allowed Karen to move on her next big project.

"That boost of money coming in for us is just huge," she said. "I've had all these things I wanted to get done before the camel races. I've wanted to get new uniforms and new paintwork done out the front and things like that. It's just made it possible."

"We know that we deliver a great service and we were able to share the benefits with other local businesses, which is great for us and great for the town"

Karen has been running the Tara Café for 25 years and has always tried to buy local, because she's seen the impact it can have across many businesses.

That's why it's so encouraging for her to see larger companies purchasing services locally.

"We know that we deliver a great service and we were able to share the benefits with other local businesses, which is great for us and great for the town."

CASE STUDY:
Father and son show us the importance of backing local business

At 17, Edan Stolberg, who is General Manager at BHP's South Walker Creek mine, was finishing his last year of school. In his spare time, he rode his bike, watched TV and hung out with his mates. At the same age, his son Tom Stolberg has been to Silicon Valley twice, started his own business called 'Make it Now' and has already made his mark in Mackay and surrounding communities, where 80% of the mine's workforce live.

For past two months, Tom Stolberg has taken over his dad's garage to produce PPE masks for nurses and doctors, which are still needed even though the peak of the COVID-19 outbreak in Australia appears to have subsided.

Using his 3D printers, local supplies and support from the local Resources Industry Network (RIN), Tom has developed more than 100 customised, reusable face masks to protect those on the frontline.

"It wasn't just any face mask that Tom produced" Edan, who is extremely proud of his son's initiative and entrepreneurial spirit, said, encouraging Tom to explain the share novel idea he came up with.

"Given the high demand for PPE materials during COVID-19, I couldn't source the materials you would normally use for face mask lens. So, I came up with the idea of using the thick sheets of plastic that are used as binder folder covers," Tom said.

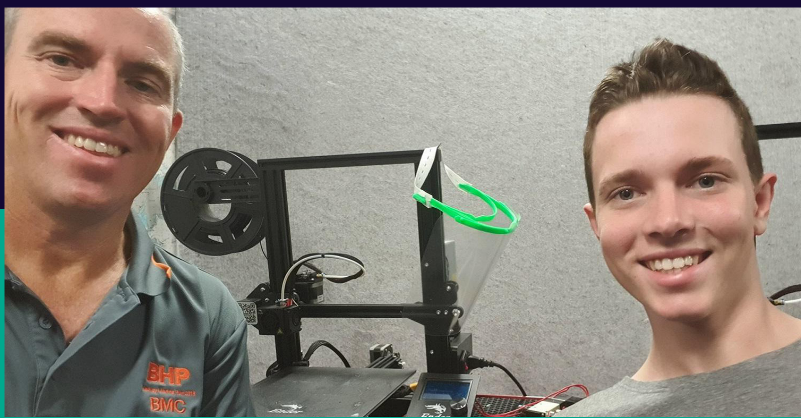
"With the support of RIN, I was able to source enough of these from local suppliers.

The mask is designed so the user can simply remove the sheet, clean and then resuse it, and can also be customised to allow a light or magnifying glass that many of the doctors use, under the protective lens.

Since 2018, Tom's small business has been a part-time gig for him. During business as usual, he produces everything from guards to scale models for local and global companies like BHP and Glencore.

Edan said watching Tom develop his business and get opportunities to explore and establish his ideas has reinforced the importance of companies like BHP that support local businesses through local buy programs.

Many small, local businesses have helped keep South Walker Creek Mine running during the COVID-19 pandemic.



> ***"There are so many small players out there with brilliant ideas that can unlock value such as innovation or productivity gains, but just need someone to back them or invest in them to get their ideas off the ground"***

"This has made a huge difference to the Mackay community and surrounding communities where the majority of our employees and contractors live. It's helped ensure people can continue to go to work and their families know that they are safe doing so."

CASE STUDY:
4t Consultants: homegrown experts

Environmental service excellence doesn't just come from capital cities. The team at 4t Consultants have been operating from Emerald since 1997, working to the highest standards of scientific and ethical integrity. The company serves the resources, government, agribusiness and industrial sectors.

4t's team of 10 works from Collinsville in the north to Ipswich in the south, all from its Emerald base. This is made possible through the use of a mobile equipment and maintenance module, allowing teams to deploy for extended periods without having to re-supply.

At the heart of 4t's operations is a commitment to field monitoring and data management standards. 4t firmly believes that if field monitoring and sample management are not carried out correctly, with every sample replicable, the entire decision-making process following the sampling event is not reliable. For this reason, 4t has, over more than 20 years, concentrated on these aspects of their work. They have developed their own proprietary monitoring equipment, which is also manufactured locally. Current R&D is focused on data visualisation that will allow clients to extract more information and knowledge from their monitoring data.

The resources sector has become a significant contributor to 4t's growth since 1997, and currently supplies over 60% of its revenue. The company benefits from both the Local Buying Program (contracts for environmental monitoring at BHP sites), and the Local Buying Foundation (additional training for team members).

An award-winning, local business, 4t provides the standard of service and quality required for the Queensland Resources and Energy Sector Code of Practice for Local Content to fulfil its commitment to local procurement.

CASE STUDY:
Regional infrastructure the key to fast tracking projects

Trackspares is a well-known Toowoomba based company that leads in the field of heavy equipment, undercarriage supply, rebuilds along with its own brand of specialised parts servicing the civil construction, agricultural and mining sectors throughout Australia.

During the last five years with a growth of over 8% throughout their regional workforces covering Queensland, New South Wales and along with their Western Australian premises they are able to service Australia's needs effectively and efficiently.

> ***"Without the local airport the order would have needed to be trucked to Brisbane which would have been a logistical nightmare with the timeframes we had."***

Trackspares Business Development Manager, Angelo Cotronese attributes the company's growth and success to their ability to adapt with the ever-changing industry. By having, the new facilities at the Wellcamp Airport along with the additional infrastructure of the Toowoomba Range Bypass, timeframes and the capacity to mobilise products and services have increased in a way unseen before from a regional centre.

"We work in a very competitive industry with tight margins, tight timeframes and no room for error. How we respond to a supplier can often have a large impact on profitability for both our client and us. By having these infrastructures in place, it does assist in streamlining our logistical operations," responded Mr Cotronese.

An example of this is when Trackspares successfully supplied Rio Tinto with 10-tonnes of heavy-duty undercarriage, through the Toowoomba Wellcamp Airport to their mine site in Weipa.

"Without the local airport the order would have needed to be trucked to Brisbane which would have been a logistical nightmare with the timeframes we had."

"Both the airport and the bypass are key pieces of infrastructure that has allowed Trackspares to be accessible both nationally and internationally and opened opportunities, which this once regional company would not have been able to access competitively. I look forward to the new in-land rail also becoming an asset for regional communities to access" stated Mr Cotronese.

CASE STUDY:
Six Wheeler Conversions deliver home-grown ingenuity

The Six Wheeler Conversions team, a family-owned business based in Toowoomba on the Darling Downs, is helping an increased number of government, mining and fleet vehicle operators with vehicle compliance issues.

Many fleet vehicles struggle to stay within their legal payloads when loaded with essential gear, especially difficult for those in rural and remote areas when there is increased pressure to carry extra equipment, fuel, lubricants and other gear required for offsite maintenance jobs.

The six wheel conversion legally increases the donor vehicles GVM, payload, towing capacity and tray space, providing a much safer, more stable and functional vehicle for a wider range of applications across many sectors.

All their work is performed on vehicles after extensive design, engineering and testing to achieve Australian Federal Government Second Stage Manufacturer approvals. These upgrades can typically allow a reduction in fleet numbers, reducing kilometres driven by operators and on a platform that reduces driver fatigue. The majority of the components sourced for the build are from the local region, using Australian steel too.

The Six Wheeler team has partnered with a larger coal mining site who are now using the Six Wheeler Landcruiser utes for off location service roles, reducing the risk of rollovers typically associated with 4wd trucks in similar off road environments, and allowing them up to carry up to a 2.5t payload. This enables their teams to carry out tasks without multiple trips and or duplicate vehicle requirements.

CASE STUDY:
Shell and Fraser Valuers

Rob Fraser is passionate about his work, the region where he lives and doing the right thing by his community. Rob is the director of Fraser Valuers, which has been appointed to the land valuation panel for Shell's QGC business.

Rob and his team have experience running just about every type of farming business, from cattle grazing, broadacre cropping and intensive agriculture such as feedlots and irrigation. They know the region and have an in-depth understanding of the natural gas industry.

Rob has lived and worked in the Western Downs for a majority of his life apart from spells away for schooling, college and being a Jackeroo. Fraser Valuers was started by his dad, Malcolm Fraser, in Wandoan in 1987. The property valuation firm has continued to grow and now has eight staff, with offices in Chinchilla, Wandoan and Toowoomba.

Local businesses like Fraser Valuers can look for opportunities close to them thanks to Shell's new Local Suppliers Portal. Businesses can use the portal to set up a supplier profile, find out what opportunities are available, and submit expressions of interest in work packages. Local and Indigenous businesses can also learn more about support programs that they may be eligible for.

The Local Suppliers Portal aims to drive transparency around Shell's procurement and help local and Indigenous businesses to collaborate or innovate together. The portal has been launched in collaboration with regional industry groups in both the Western Downs and Gladstone areas. You can find out more by visiting the Shell Local Suppliers Portal at: www.shellsuppliers.com.au.

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