

Local Content Strategy

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Glossary of Terms

Term/Acronym	Definition
ABS	Australian Bureau of Statistics
ATSI	Aboriginal & Torres Strait Islander
BBAC	Barada Barna Aboriginal Corporation
CSEP	Community and Stakeholder Engagement Plan
DATSIP	Department of Aboriginal and Torres Strait Islander Partnerships
DES	Department of Environment and Science (Queensland)
EA	Environmental Authority
EIS	Environmental Impact Statement
FIFO	Fly In-Fly Out
ID	Isaac Downs
IPC	Isaac Plains Complex
IPCM	Isaac Plains Coal Mine
IRC	Isaac Regional Council
LGA	Local Government Area
KPI	Key Performance Indicator
SIA	Social Impact Assessment
SIMP	Social Impact Management Plan
SIMR	Social Impact Management Report
SSRC Act	Strong and Sustainable Resource Communities Act 2017 (Queensland)
the Project	Isaac Downs Project
the Proponent	IP South

1 Introduction

Stanmore IP South Pty Ltd ('Stanmore') recognises it operates on Barada Barna land and within proximity to the neighbouring township of Moranbah, in a region predominantly known for its rich coal resources and to a lesser extent, beef cattle and agricultural industries. Stanmore is committed to supporting the local* area (*local meaning within 125 km radius of Moranbah township) throughout the lifetime of its mining and other operations, which are currently being undertaken in the Moranbah area.

Stanmore's Local Content Strategy has been developed as a means of responding to the Strong and Sustainable Resource Communities (SSRC) Act (2017) and is consistent with the values of the Queensland Resources and Energy Sector Code of Practice for Local Content and Australian Industry Participation Framework.

This strategy document also outlines how Stanmore will best meet the commitments made as part of the Social Impact Assessment, which was approved by the State Government in 2021 via the Environmental Impact Statement for Stanmore's Isaac Downs Project.

2 Tailored Local Content Strategy

Stanmore is committed to developing a tailored Local Content Strategy which:

- Outlines the proponent's approach for how it will communicate with and encourage local business and industry to participate within its supply chains;
- Describes how the proponent will encourage local industry to register as a supplier, pre-qualify, tender for supply opportunities and develop the required capabilities;
- Identifies how the proponent will resource, implement and report on its local content practices.

The Proponent's Local Content is the added value brought to the local community through the planning, development and construction of the Isaac Downs project, leading to:

- Strengthened community relations through involvement and collaboration with local businesses and community members;
- Value addition (for both The Proponent and local community);
- Skills/training and knowledge development and retention;
- Support of non-associated community initiatives, through community grants funding /local working bees/loaning of resources, skilled personnel and/or equipment;

- Opportunities for sustainable development and renewable energy opportunities.

The Local Content Strategy shall be promoted through:

1. Investing in supplier development via:

- Procuring supplies and services locally (refer *2.1 Local Business and Procurement Policy* below);
- Subcontracting of specific elements of the project, to further engage with local businesses and local workforce;
- Embedding local procurement policy requirements into sub-contractor agreements; and

2. Workforce development (refer to *2.2 Workforce Management Plan* below), via:

- The employment and training of persons from the local area, with a specific emphasis on attracting and promoting employment opportunities as well as skills development and training packages to the local workforce, the Traditional Owners (the Barada Barna) and to persons identifying as ATSI.

2.1 Local Business and Industry Procurement Policy

The Proponent commits to:

- Prepare and adopt a procurement policy and tailored local content strategy consistent with the values of the Queensland Resources and Energy Sector Code of Practice for Local Content and Australian Industry Participation Framework.
- Collaborate with Moranbah Traders Association, Dysart Business Group, Local Content Leaders Network and the Regional Industry Network in establishing a local supplier listing tailored to the Isaac Downs Project.
- Develop and implement a local supplier prequalification process which enables low value transactions with local businesses rather than through complex tendering processes.
- Give preference to contractors and sub-contractors who optimise local content where comparative bids are assessed as commercially and technically equivalent.
- Categorise procurement streams according to risk and tailor insurance requirements accordingly so that local businesses are not precluded from tendering for opportunities.
- Facilitate and support delivery of a tender program for all local businesses, especially for Indigenous businesses in collaboration with the Department of Education, Barada Barna Aboriginal Corporation and DATSIP.

2.2 Workforce Management Plan Strategies

The Local Content Strategy links closely with the Workforce Management Plan strategies through:

- Maximising local employment through application of the Recruitment hierarchy. The scheduling of recruitment will be staggered in accordance with the recruitment hierarchy;
- Fully complying with the relevant provisions in the Anti-Discrimination Act 1991. No job opportunity will be advertised as a FIFO only position;
- Supporting meaningful employment pathways for young people in local communities;
- Removing barriers for employees through directly contributing to improved childcare services by way of financial support to local childcare services;
- Providing employment opportunities for Aboriginal People through supporting Traditional Owners and other relevant Aboriginal groups (e.g. Barada Barna Aboriginal Corporation).

3 Local Content Participation Areas

An analysis of the Isaac Downs Project has identified several possible areas of participation for local industry/ suppliers to become involved, including:

- Supply of major construction materials
- Supply of pre-fabricated products/parts
- Supply of cement products, geotextile, blasting materials, ballast, sand and gravel aggregates
- Supply of petrol, diesel, oils, lubricants and other chemicals
- Servicing and maintenance of light vehicles
- Sub-contracting (labour for civil and building works and unskilled labour)
- Equipment leasing and hiring
- Vehicle hire services
- Catering services
- Accommodation services and workforce camp services
- Labour hire recruitment/management services
- Tools, small equipment, instruments and spare parts
- Water cartage services
- Transport service
- Cleaning services.
- Health/Medical services (including on-site medical resources)
- Waste Management services
- Environmental services
- Logistics and supply chain services

3.1 Current Implementation of Local Content Strategies

The following measures are currently undertaken by Stanmore as a means of supporting Local Content via the Isaac Downs Project:

- Establishment and annual updating of local supplier listing, including those on the Black Business Finder and Supply Nation databases.
- Collaboration and ongoing communication with local industry groups including Moranbah Traders Association, Dysart Business Group, Local Content Leaders Network and the Regional Industry Network.
- Consultation with local councils, including the Isaac Regional Council (IRC) around project activities and synergies that may be realised between IRC and the Project.
- Consultation with neighbouring landholders, including adherence with Compensation and Conduct Agreements and Make Good Agreements (where applicable).
- Promotion of the 'Live Local' Program, to encourage a longer-term, local workforce.
- Funding of local wildlife groups (including an agreement with the Fauna Rescue Whitsundays Group).
- Consultation with BBAC regarding targeted recruitment of Indigenous and Torres Strait Islander employees.
- Payment of services within 30 days of receipt of invoices for all local suppliers (with strict adherence to this policy by Accounts Payable department).
- Support of local community programs, schools and community groups and social infrastructure (with a focus on environmental, youth, sport and culture/arts and indigenous related activities), via the Proponent's Grants Program.
- Encouraged unbundling or unpacking of large projects into smaller projects/utilisation of a number of smaller local suppliers.
- Implementation and adherence to the Proponent's Anti-slavery Policy, which discourages reliance of overseas manufactured products in favour of local products.
- Non-convoluted tender processes for engaging local suppliers, with a preference to local suppliers wherever possible.
- Support of the local *Shop Isaac* through the purchase and distribution of gift cards to the workforce to encourage shopping locally.
- Use of local workforce accommodation villages and local motels and eateries for supporting/sheltering the workforce.

4 SWOT Analysis of the Isaac Downs Project

A Strength, Weaknesses, Opportunities and Threats (SWOT) analysis was undertaken to determine how the Isaac Downs Project could improve on maximising local business opportunities, including maximising opportunities for persons identifying as Aboriginal and Torres Strait Islander (ATSI) to become involved in the Project. The SWOT analysis outcomes are described in points 4.1 to 4.4 below:

4.1 Strengths

The SIA undertaken for the Isaac Downs Project identified a number of strengths which the Project can continue to build upon, including:

- Culture and identity is robust in Moranbah and the Project is one of many approved and similar coal mining projects in the region (a precedent has been set).
- Community cohesion is strong and highly valued by local residents.
- Amenity and quality of life is high in Moranbah.
- Strong economy.
- Supportive and resources-friendly, stable local and state governments.
- Strong record of environmental approval attainment (from all levels of government).
- Local quarries with an abundance of adequate materials required for development/construction.
- A wide range of trades and mining-related specialists/specialty suppliers in the local area.
- An educated labour force available in the regional area.
- A quantum of both mining-experienced and semi-skilled affordable labour force.
- Stanmore is a sustainable company with a good track record of land rehabilitation and environmental performance.
- Good investment climate for ongoing operations transitioning from one resource area to the next.

4.2 Weaknesses

The SIA undertaken for the Isaac Downs Project identified the following weaknesses which may negatively impact the Project, including:

- Local council (IRC) can be over-ambitious in their expectations of what the Project can provide/is responsible for providing to the community.

- Limited government support available as IRC is heavily utilised by the local community/other resource companies.
- At peak times, the local community workforce is very small to draw upon, meaning a percentage of the workforce and labour is required to be sourced from outside the local area.
- The remoteness of the Project site and the limited availability of childcare places and at times, suitable affordable housing and limited social infrastructure, can act as a deterrent to attracting new families to the area resulting in a reduced local workforce labour pool.

4.3 Opportunities

There are several opportunities that may become available due to the Isaac Downs Project, that may enable local content participation, as follows:

- Availability of local materials to be used in the project.
- Availability of locally-sourced materials, that may have construction/development applications which may not have been otherwise considered.
- Focused opportunity to explore/invest in renewable energies, such as solar and wind power, or hydropanel-derived drinking water, due to the remoteness of the Project location.
- New technologies and Intellectual Property to be recognised/developed as part of the construction/project development process.
- Provide opportunities for workforce to transition from development/construction activities to the operational workforce through training and upskilling.
- Consultation and collaboration with BBAC and other like organisations, as well as other groups and businesses identifying as ATSI can result in otherwise unrecognised possibilities for project development and/or creation of partnerships.
- Opportunity for positive media coverage for employing a majority local workforce, including positive recognition should the project be able to attract a high percentage of persons identifying as ATSI to join the project workforce.

4.4 Threats

Threats recognised through the SIA process for the Project include:

- Cyclical trends in mining can put pressure on local communities in the Isaac region (especially regarding labour workforce availability, accommodation shortages and affordability and competition for services/supplies increases).
- Changes in government/government policies can make the Project unsustainable or unviable.

- Other resource companies with more financial backing can consume the bulk of the local suppliers/supplies by offering more financial incentives, meaning less resources available for the Isaac Downs Project.
- Covid-19 and other pandemics can influence the supplier-chain and overseas sales, potentially resulting in loss of sales and unviability of the Project, meaning a downturn in activities and workforce requirements required to be sourced from the local community.
- The global coal market fluctuates, with potential for a similar result as to the pandemic mentioned above.

5 Proposed Actions to Maximise Local Content

The following proposed actions are deemed appropriate and achievable ways for maximising local business opportunities and Local Content in the Isaac Downs Project:

- Continued consultation and collaboration with major stakeholders, including state agencies, local government, employment and training providers, public and private housing providers, local and regional commerce and community development groups, social and public service providers and local communities.
- Putting in place mechanisms for enhancing the training, skills and other capacity building mechanisms of the workforce. A skills mapping exercise and training needs matrix will be undertaken/ developed and strategies to bridge identified gaps recognised and implemented.
- Derive mitigation and enhancement commitments which serve to avoid or reduce impacts and enhance benefits, through collaboration with the Project stakeholders.
- Provide stakeholders with the ongoing opportunity to provide inputs into the SIA (at defined frequencies as appropriate), including the scope of assessment, the impacts which may be experienced in different localities and by different stakeholders and how they might be avoided or mitigated.
- Provide a monitoring and reporting strategy to support the adaptive management of social impacts (i.e. to inform the SIMR).
- Putting into place targeted programs for training and development of Indigenous and Torres Strait Islander employees, including traineeships/apprenticeships for BBAC persons and other persons identifying as ATSI.
- Implementation of cultural opportunities on the Project Site, in consultation with BBAC.
- Implementation of cultural training of operators, delivered by, or in conjunction with, BBAC.

- Consideration of school-based apprenticeships for local year 12 leavers/graduates.
- Ongoing funding of local community groups and projects via the Stanmore's Grant Program.
- Regularly update the local suppliers list, including those on the Black Business Finder, and also ensuring a process exists for identifying any new stakeholders as they become relevant to the Project.
- Continuous building of local workforce to ensure that they have the requisite skills, experience, attitude and work ethic required for the success of the Project.
- Ensuring that the contractor provides timely information on their requirements in terms of human resources, materials, procurement procedures.
- Consideration of funding or supporting local innovative technologies as they evolve.
- Consideration of improving waste management processes with assistance of local waste and resource recovery providers.
- Collaborating with specific industries around best-practise strategies to increase Local Content.
- Local advertising and promotion within the community, through Stanmore's website, via relevant partnerships, social media outlets and other campaigns.
- Continue providing good working conditions and incentive programs (e.g. the Proponent's Live Local Initiative, local gym programs) to encourage increased local workforce.
- Strive to be an Employer of Choice, through a targeted campaign and by employing best practice techniques and acting in a socially responsible manner.
- Following up in a timely manner on commitments made through the EIS and the SIMP around the affordable housing scheme, childcare, social infrastructure, other financial commitments and workforce housing programs. Set up a system to measure the effectiveness of these commitments.
- Providing current workforce with opportunities to provide feedback/ideas around increasing Local Content via workshops/forums/think tanks.
- Review ABS Census data on an annual basis to inform and refine workforce targets, including local workforce target and ATSI workforce percentages.

6 Document Information

Control and Revision History

Document Information

Approved by	Name: Jon Romcke	Position: GM Business Development
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	Signature: <i>Jon Romcke</i>	Date: 10.05.2021
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Revisions

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