

LOCAL INDUSTRY PARTICIPATION PLAN

DRAFT

Approvals and Reviews

Local Industry Participation Plan

Project	CopperString 2.0
Client	CuString Pty Ltd
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Revision History

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1. Introduction

The purpose of the CopperString 2.0 project is to connect the North-West Minerals Province (NWMP) of Queensland to the National Electricity Grid. This will not only allow existing loads in the Mt Isa and Cloncurry areas to be fed from the National Electricity Market NEM, but also provide access to new mining loads and opportunity for connection of renewable generation.

1.1 Project Scope

The CopperString 2.0 Project (the Project) is an extra high voltage transmission system intended to connect the North-West Power System (NWPS) near Cloncurry and Mount Isa to the Powerlink network and National Electricity Market (NEM) at Woodstock. Figure 1 below provides an overview of the Project.

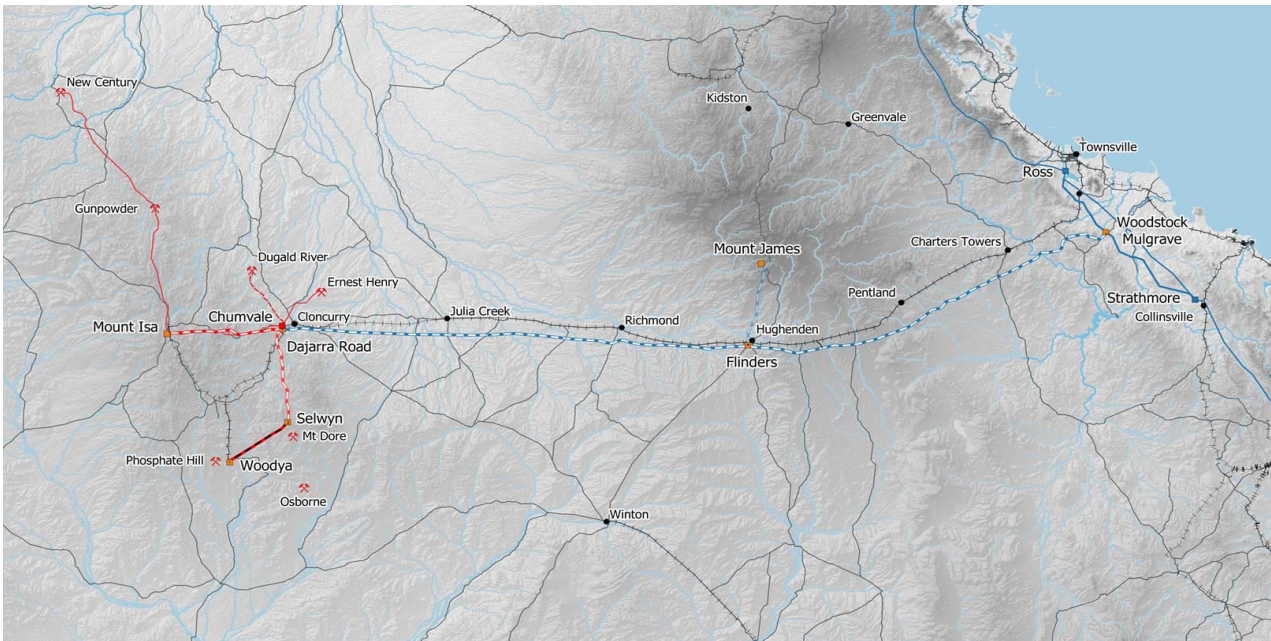


Figure 1: CopperString 2.0 Project - Proposed Transmission Line

CopperString 2.0 will connect into the existing Powerlink 275kV lines at Mulgrave (77 kms south of Townsville) and extend some 1100km to Mt Isa via Hughenden and Cloncurry.

At Woodstock, Powerlink will provide a 275kV switching station (Mulgrave) that will cut into the existing double circuit 275kV lines between Ross and Strathmore. The Mulgrave switching station will be located adjacent to the CopperString 2.0 275/330kV substation (Woodstock).

A double circuit 330kV line (approximately 330km) will then run west to the Hughenden area where a new 330kV switching station (Flinders) will provide reactive power support for the system and a connection point for the Mount James substation approximately 80km North. The Mount James substation services the renewable generation area around Kennedy enabling zone development.

The 330kV double circuit line (approximately 400kms) will then extend to Cloncurry where a new 330/220kV substation (Dajarra Rd) will be constructed. This substation will again provide reactive power support to the system as well as allow connection at 220kV to the following:

- The existing Energy Queensland 220kV system at Cloncurry;
- A new 220kV southern spur to Mount Dore and Woodya; and
- A new 220kV line connecting Mt Isa.

The new 220kV line to Mt Isa (approximately 100kms) will complete the connection to the NWMP where a new 220/132kV substation (Mt Isa) will provide connection to the existing system.

The southern spur will consist of a new 220kV line (approximately 110kms) to a new 220/132kV substation (Selwyn). A further double circuit 132kV will run from Selwyn and connect in to Woodya (50kms). Woodya is a new 132kV switching substation servicing the Phosphate Hill area and other local loads.

Selwyn 220/132kV substation will provide 132kV feeds for loads in the Mt Dore area.

Refer to drawing 3200-0643-DP1-DWG-001 "CopperString 2.0 Overall System Single Line Diagram Initial Arrangement" for further details.

1.2 Purpose

The purpose of this plan is to describe the UGL CPB JV approach to managing local industry participation on the Project to improve local industry and project outcomes and enhance engagement and reputation with these stakeholders. The approach ensures that the management of local industry issues will be implemented in a planned, systematic, documented and cost-effective manner, minimising negative impacts on the local industry and wider community.

The plan demonstrates how UGL CPB JV will meet CopperString EPC's Employer's Requirements for Contractors and the requirements of all applicable local industry and procurement relevant to the performance of the scope of works.

1.3 Context

UGL CPB JV expects that affected communities and stakeholders will provide positive rather than neutral reaction to our site-based activities. Our Local Industry Participation Plan is designed to ensure appropriate engagement with local communities to enhance regional economies through local procurement where cost effective to do so and to ensure that we satisfy the local industry participation outlined in the CopperString 2.0 and UGL CPB JV Procurement Plan and Corporate Policy, reflecting State and Federal Government Procurement Policy requirements.

Ultimately, we intend that local industry participation during delivery of CopperString 2.0 will result in a positive legacy to local communities.

This management plan should be read in conjunction with the following Plans:

- Local Industry Participation Plan Schedule (CopperString) (2)
- Local and Indigenous Employment Engagement and Training Plan (CopperString)
- CopperString 2.0 Project Procurement Plan.

1.4 Objectives and Targets

The target shown in Table 1 below is designed to facilitate the management and implementation of local industry on CopperString 2.0.

Table 1: Anticipated Percentage of Locally Sourced Delivery Phased Products and Services

Products and Services	% of Total Subcontract/Supply Value
Estimated Local Project Spend	20%

The selection of local labour, subcontractors and suppliers will be targeted, if appropriate, to maximise local involvement in the Project. Guidance from the both the CopperString 2.0 Team and UGL CPB JV Project Leadership Team will be integral part of this selection process.

Face to face engagement with local and indigenous businesses will be a priority.

We intend to engage local resources to support the local community in the regional communities along the project alignment. The UGL CPB JV procurement procedure will be followed to ensure subcontractors are compliant with the requirements of the Contract. If compliant, favourable weighting given to local/regional and Indigenous companies.

UGL CPB JV local industry performance will be monitored and work processes reviewed to improve and encourage learning. The objectives and targets set out below will be reviewed monthly and included in project reports.

1.5 Supporting CopperString's AIPP

UGL CPB JV will support CopperString 2.0 to deliver its requirements under its Australian Industry Participation Plan (AIPP) by:

- Developing a Procurement Management Plan outlining the procurement management controls, objectives and requirements set for the Project, including those within the AIPP
- Reflecting local industry participation obligations within subcontract and supply instruments
- Committing an experienced team of procurement professionals to drive AIPP outcomes.

2. LOCAL INDUSTRY ENGAGEMENT

2.1 Approach to Local Industry

UGL CPB JV approach to local industry engagement will support and enhance positive impacts for future operations within the local area by:

- Identifying subcontractor actions to provide local industry with full, fair and reasonable opportunity to participate in the project scope of works
- Providing procurement and subcontracting strategies to facilitate and maximise local (including Aboriginal business) participation
- Creating sustainable opportunities for Indigenous participation through engagement with subcontractors and Supply Nation
- Supporting contractor commitments to build capability and capacity of local industry, to assist businesses to both participate on the Project and become more competitive in the future
- Identifying local industry stakeholder engagement and communication needs that align with CuString Pty Ltd's
- Monitoring, measuring and reporting progress against the local industry requirements.

We will present supplier and subcontractor opportunities to the widest possible market, optimise the Project's small and medium enterprise (SME) content with a strong regional flavour, and foster long-term reciprocal relationships with the supply chain by:

- Establishing key partnerships with industry, Indigenous and local organisations
- Communicating opportunities through clear and regular interactions with local businesses, chambers of commerce and local councils along the alignment
- Using our tested procurement approach to maximise local and SME content throughout delivery.

2.2 Key Partnerships

For stakeholder engagement to be effective, it is necessary to identify and thoroughly understand the Project's stakeholders and their needs, expectations and relationship to the Project. This understanding is achieved through the conduct of a stakeholder analysis (profiling) and the identification of the appropriate engagement level and type of activities that will ensure stakeholders are informed, involved and consulted in an open, timely and transparent manner.

UGL CPB JV acknowledges there are a range of stakeholders that form part of the Project's 'community of interest'. A summary of the key stakeholder groups relevant to local procurement opportunities is shown in Table 2 below, however we acknowledge that the stakeholder list will be continually further developed as new stakeholders may be identified.

UGL CPB JV and our key partners will implement the initiatives detailed in the table below to support the participation of regional Queensland businesses, SMEs and Recognised Aboriginal Businesses (RABs) in the supply chain and to assist in building capability and capacity in the local market.

Table 2: Key Initiatives to Support Participation of Regional Qld Businesses

	Australian Industry	Indigenous Business	Local Industry
Key Partners	AIG	Supply Nation;	Business Chamber (BC)
Rationale of partnership	Allow smaller supply chain businesses to receive professional managerial advice	Raise awareness to maximise exposure to, and interest from the Aboriginal business community	Raise awareness of project opportunities across the broader business community
Description of Initiative	Entrepreneurs Program	Participation in monthly forums hosted by Local Regional City Councils	Participation in WWBC forums to maximise project exposure to a diversity of businesses in Northern Queensland
Inputs	Expertise, networks and advice	Resources and funding	Resources and funding
Outputs	Improved business processes	Exposure of commercial opportunities	Exposure of commercial opportunities
Timeline	Supplier dependent	Commencing on contract award through to procurement close	Commencing on contract award through to procurement close
Outcome	Better systems for subcontractors, improving business opportunities Better supply network for UGL CPB JV	Highest possible Aboriginal content in the supply chain	Highest possible local participation in the supply chain.

In addition, UGL CPB JV will partner with Social Traders, which focuses entirely on social (including disability) enterprise development across Australia. The organisation builds local enterprises through business skills and networking, development programs, and connecting public and private sector organisations with social enterprises.

We will leverage UGL CPB JV working relationship with social enterprises to ensure the Project effectively supports relevant social enterprises through training/upskilling and employment opportunities and providing support in relation to business model development, financing model and strategy, sales and marketing, partnerships, organisational development and financial management. We will continue to identify regionally based indigenous businesses and community associations in appropriate elements of the project where their services align.

2.3 Encouraging Local Participation

UGL CPB JV will encourage all relevant community organisations, interests and enterprises to tender for the provision of goods and services on the project, in particular local Indigenous subcontractors/suppliers of the Birri, Kudjala, Yirendali, Wanamara, Mitakoodi Juhnjar, Mitakoodi & Mayi and Kalkadoon people and other regional traditional owners.

However, all tenders will be comparably evaluated on the basis of the supply of goods and services and their level of quality, cost effectiveness, compliance to trading terms requirements and reliability.

Guidance and assistance will be provided to Indigenous businesses on policies and procedures regarding subcontract work. Feedback will be provided to assist improvement to businesses outlined in this clause should they not be successful in prequalification or tendering.

3. Procurement Process

3.1 Early Engagement of SMEs

Early engagement with subcontractors and suppliers is an important part of how we will support CopperString 2.0 to meet its requirements under the AIP Plan. We have engaged with a number of potential Australian subcontractors and suppliers to date as part of the tender phase. These entities have submitted initial costings across multiple packages. Many of these potential subcontractors and suppliers are based in Queensland and the regional areas.

On contract award, we will build on these established opportunities and work quickly to activate the Industry Capability Network (ICN) or similar to identify and engage with additional local suppliers. We will ensure Australian Standards and codes are used in the formulation of specifications, tenders and the letting of contracts. We will assemble a team of experienced procurement professionals to realise the outcomes of this plan and ensure that communications with supply chains are conducted in a consistent, coherent and fair manner with a focus on local industry participation.

3.2 Procurement Approach

UGL CPB JV procurement procedures and practices will promote full, fair and reasonable decision making when awarding contracts, and will be tailored for local capacity and capability by:

- Breaking down large packages of work or combining opportunities
- Developing work packages that suit the capability and capacity of local and Australian entities
- Staging independent work areas for tender by different suppliers
- Prefabricating materials for local installation
- Assisting local partnerships that may help local business deliver packages beyond their current capacity and skills
- Directing visits and enquiries to potential local suppliers.

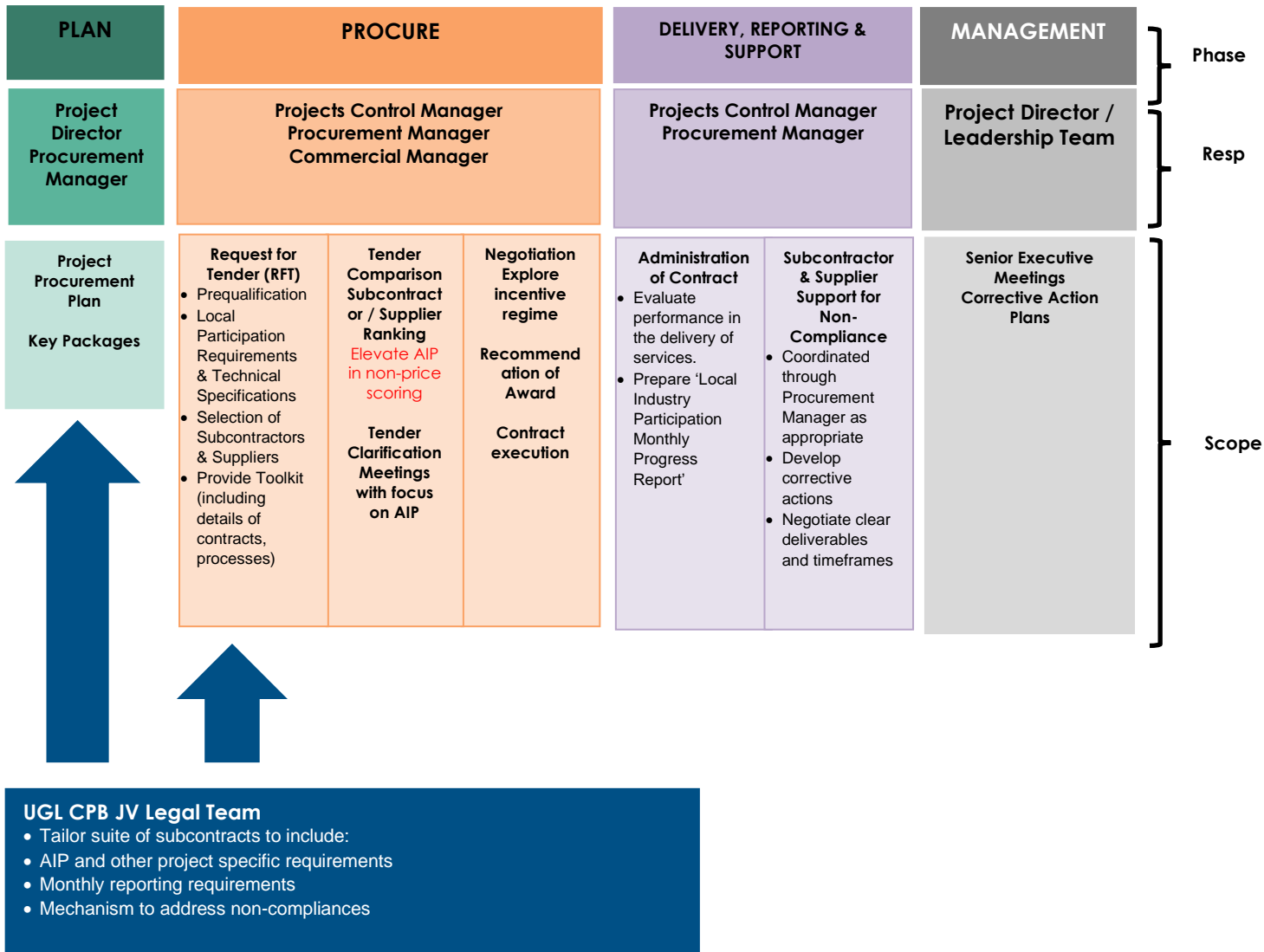
UGL CPB JV delivery phase work packages will be structured to enable maximum local supplier participation and will include the applicable Australian Standards in specifications as well as performance objectives that are not overly prescriptive or only written around imported goods. We will select local suppliers based on prequalification criteria and verification in accordance with contractual requirements and provide evaluation weighting to Local and aboriginal content.

Potential tenders and supply opportunities will be advertised on the project website, in local newspapers and other media, as well as with ICN and other organisations that support local SMEs and RABs. Opportunities will be offered to suitable local entities, and once work packages are awarded, successful companies will be displayed on the ICN Gateway.

Subcontractors and suppliers will be assessed to ensure they have sustainable work practices that support AIPP objectives before contract award. Tender documents will include the requirements and obligations for local sourcing of SMEs, Indigenous businesses and social enterprises. As part of our subcontractor management, our standard suite of terms and conditions will be updated to outline the nominated target and reporting requirements.

The process for selection of subcontractors and suppliers which support our objective of maximising AIP opportunities is included in Figure 1 below.

Figure 2: AIP Management - Subcontractors and Suppliers



3.3 Communication to Local Industry

Upon contract award, UGL CPB JV will access the database from tender phase and the Industry Capability Network (ICN) database and implement a program of additional briefing events with local businesses. The table below outlines the process we will use to communicate package opportunities and the requirements and outcomes expected.

Table 3: Strategy for Communication of Supply Opportunities

Action Item	Description	Outcome Sought
Briefing sessions*	UGL CPB JV in conjunction with CopperString 2.0 will develop a schedule of face-to-face briefing events for businesses within the local areas and relevant local councils (see below for further details)	To allow local and Indigenous businesses to receive updates on project procurement and engage with representatives of tier 1 contractors
Contract conditions	Inclusion of contractual clauses in support of local and Indigenous participation	Demonstrated commitment to encouraging Indigenous participation

Contract evaluation criteria	Inclusion of local and Indigenous participation as a weighted criterion in the evaluation process	Evaluate and compare competing contractors' level of local and Indigenous participation
Publication of successful contractors	UGL CPB JV will publish names of successful contractors who have been awarded work packages on the project website.	To allow lower tier contractors to identify potential customers
Appointment of a responsible person	Tier 2 and 3 contractors are expected to nominate a liaison officer to work in collaboration with UGL CPB JV to identify and monitor progress and reporting requirements for participation targets	To ensure accountability for local and Indigenous participation across the project supply chain
Project gateway webpages	Identified Tenders for the Project will be listed on eTender or similar	To allow transparent communication of supply opportunities for local and Indigenous businesses to register an interest in supplying to the Project.

** Briefing sessions will be held quarterly after contract award, with further sessions to be provided if required to meet demand. They will be held at alternate times including outside business hours to allow maximum attendance. Dates and times will be advertised on the project website, on QLD Chamber of Commerce and relevant local news boards and via social media.*

Participants will be selected and notified through the established ICN Gateway database following contract award, and the initial Industry Briefing database. Publicity via Local Business Chamber, the UGL CPB JV Project website, direct mail, Daily Media, Aboriginal Affairs Qld and CopperString Advisory Groups will further increase awareness of the sessions.

Session content will include a project overview and opportunities for jobs, skills and local participation, service level expectations, procurement process and contact representation.

3.4 Subcontract Management

The Project will put in place a monitoring, evaluation and reporting program to ensure the AIPP requirements are being met. The program, forming part of the Procurement Management Plan, will be overseen by the Project Controls Manager with support from the Procurement and Commercial Managers and will consist of processes and procedures to monitor and report on the progress of AIP Plan requirements. The program will be applied to the activities of both UGL CPB JV and subcontractors.

UGL CPB JV and subcontractor compliance with the AIPP will be governed by the following processes and strategies:

- Cascading requirements by incorporating industry participation requirements in subcontractor tender packages
- Establishing a regular and structured schedule of workshops hosted by UGL CPB JV to further inform development and AIP requirements
- Monitoring subcontractor compliance through weekly subcontractor meetings, monthly subcontractor reports, key performance indicators (KPIs), Work Health and Safety Committee meetings and project team meetings
- As part of a formal communications and continuous improvement process, the Project will meet with senior management of any subcontractors who are failing to meet their requirements and work with them to improve performance
- All subcontractors will be subject to the project reporting and management mechanisms prescribed in the UGL CPB JV Management System. These will include regular formal and informal reporting processes regarding compliance across established KPIs, including quality, safety, environment and productivity.

UGL CPB JV will monitor and report AIP Plan requirements to CopperString 2.0 using its reporting template through specific monthly data collection and reporting procedures.

3.5 Roles and Responsibilities

Our Project Director will be responsible for the establishment and oversight of UGL CPB JV compliance with the AIPP and holds ultimate responsibility for the management of local industry engagement, community and stakeholder liaison and local participation relating to design, construction, commissioning and handover, in consultation with our corporate representatives and in line with agreed coordination protocols.

The Commercial Manager will oversee procurement management and ensuring our policies, procedures and processes are followed, and will work closely with our nominated Procurement Manager to implement the Local Industry Participation Plan.

4. LOCAL BUSINESS OPPORTUNITIES

4.1 Identified Local Opportunities

The following items and services have been identified at this stage as suitable for local sourcing and to encourage participation of local SMEs:

- Consumable spares – lubricants, cleaning materials, non-specialist tools and hardware
- General maintenance in Project Offices and camps – cleaners, plumbing, general repairs
- Office supplies – stationery and furniture
- Foundation concrete – ready mixed products, aggregates
- Quarry products - quarried materials for access road, substation platforms, drainage, hardstands
- Substation civil works – conduits, stormwater pits, precast concrete elements
- Security – camps, offices, substations
- Water – potable and construction
- Traffic management services – including traffic controllers and signage
- Structural steel erection – substations
- Auxiliary building services – substations
- Soil disposal and waste management services
- Plant Hire – Crane, Manitou, Vehicles.

4.2 Identified Local Suppliers

A selection of local subcontractors and suppliers already captured within UGL CPB JV combined database have been identified as potentially being able to participate in the works.

A complete industry participation list which identifies the companies approached during the tender period is attached. UGL CPB JV will embark on a rigorous procurement and engagement process upon Project execution to confirm those SMEs that can deliver the safety outcomes, CopperString's requirements, local employment targets and Aboriginal participation objectives.

4.3 Australian Content

The UGL CPB JV is committed to maximising Australian content across every aspect of the Project. Our ability to secure Australian products and services is even more important in the current and post COVID-19 environment and our contribution to stimulate the local, regional and national economy will be a focus of our procurement strategy.

With over 100 local and regional subcontractors and suppliers approached during the tender period, we estimate the level of Australian content to be approximately 74%. This figure is somewhat skewed and is estimated to be circa 90% when Powerlink's preferred supplier requirements and exclusive overseas products (e.g. HV Transformers, Synchronous Condenser) are discounted. We will exploit every avenue to increase this parameter using our tested procurement systems and approach.