



MULTICOM

SAINT ELMO MINE

Buy Local Plan

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1. PURPOSE

This Buy Local Plan (BLP) describes how Multicom will support, enable and generate diverse opportunities for business development and the supply of goods, materials and services to support the sustainable economic development of the McKinlay Shire Local Government Area (LGA) and the Project's broader economic catchment.¹ This includes strategies that support capacity building and spending through the supply of goods, materials and services to the Project, as well as engagement with local, regional and Indigenous businesses. In turn, this will contribute to business sustainability and growth, indirect employment and regional economic development.

The development of this plan is guided by the following:

- Saint Elmo Vanadium Project Social Impact Assessment (ERM 2020) (Appendix 7 of the Project Environmental Impact Statement (EIS));
- Saint Elmo Vanadium Project Economic Impact Assessment, (AEC Group Ltd. 2020) (Appendix A8 of the Project Environmental Impact Statement (EIS));
- Section 3.2 of the Social Impact Assessment Guideline (DSDMIP 2018);
- Queensland Resources and Energy Sector Code of Practice for Local Content (2013);
- Queensland Resources and Energy Sector Code of Practice for Local Content (2013) Implementation Guide;
- Commonwealth Governments Indigenous Procurement Policy (2020); and
- Best practice based on other recent projects in Queensland.

2. OBJECTIVES

The objectives of this By Local Plan include the following:

- Maximise opportunities for competitive and capable local businesses to provide goods and services to the Project;
- Provide local suppliers, contractors and manufacturers with full, fair and reasonable opportunities to tender and participate in the project;
- Reduce barriers to entry for local businesses where feasible;
- Build relationships with local business and industry; and
- Align major contracts and contractors to the Project's Local Procurement Strategies.

3. SCOPE

This plan outlines:

- Roles and responsibilities;
- Business and Industry Procurement related project opportunities and impacts;
- Multicom's commitment to providing local and Indigenous business opportunities;

¹ The area of potential economic impact associated with the import and export of materials by road and rail. This area extends along the corridor between Townsville and the Project site, through the LGAs of Mount Isa, Cloncurry, McKinlay, Richmond, Flinders, Charters Towers and Townsville.

- Buy Local strategies / activities during all phases of the Project; and
- Records, reporting and review requirements.

3.1 Planning and Consultation

In developing this Plan, Multicom has aligned itself with the Queensland Resources and Energy Sector Code of Practice for Local Content (2013). This code is designed to provide full, fair and reasonable opportunity for capable local industry to compete for the supply of goods and services for significant projects (construction and operating phases).

In addition, several business, industry and regional development organisations have also been consulted. These include the Department of State Development, Infrastructure, Local Government and Planning (DSDMIP), The Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships (DSDSATSIP), the Mount Isa to Townsville Economic Development Zone (MITEZ), Commerce Northwest and the McKinlay Shire Council.

This is to assist Multicom to understand the status of local businesses relevant to the Project.

4. DEFINITIONS AND ABBREVIATIONS

The following definitions and abbreviations are used in this plan.

BLP	Buy Local Plan
DSDSATSIP	The Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships
DSDMIP	Department of State Development, Infrastructure, Local Government and Planning
EIS	Environmental Impact Statement
LGA	Local Government Area
MITEZ	Mount Isa to Townsville Economic Development Zone
QRC	Queensland Resources Council
RFI	Request for Information
SIMP	Social Impact Management Plan
SSE	Site Senior Executive
TQ	Technical Queries

5. ROLES AND RESPONSIBILITIES

Key roles and responsibilities are provided in Table 1.

Table 1 – Key Roles and Responsibilities

Role	Responsibilities
Site Senior Executive (SSE) / Chief operations Officer / Project General Manager	<ul style="list-style-type: none"> ▪ Ensures sufficient resources are available to enable this BLP to be appropriately implemented ▪ Reviews and updates this BLP ▪ Participates in the implementation of this BLP, as required ▪ Ensures the Project adheres to the BLP ▪ Monitors and reviews the performance of the Mine (construction and operations phase) in relation to this BLP ▪ Organises internal and external audits of this BLP and undertakes a revision to the BLP, where necessary ▪ Oversees the non-compliance and any complaint-based investigations and develops a plan to avoid or mitigate potential similar future incidents ▪ Identifies improvement opportunities in this BLP ▪ Ensures this plan is published on the Company website ▪ Establishes collaborative relationships with businesses and maintains clear lines of communication with all stakeholders regarding Project requirements and time frames, with support from key personnel within Multicom Resources
Procurement Engineers	<ul style="list-style-type: none"> ▪ Oversees and manages the tendering processes ▪ Readily available to engage with businesses in responding to technical queries or requests for information for advertised tenders
Contractor Management	<ul style="list-style-type: none"> ▪ Complies with the requirements of this plan ▪ Actively adheres to the buy local principles detailed within this BLP ▪ Reports on the performance against this BLP
General site personnel (including contractors and subcontractors)	<ul style="list-style-type: none"> ▪ Undertakes training and inductions provided by the SSE ▪ Reports any deviations from this BLP to their supervisor or the SSE

6. SUMMARY OF PROJECT IMPACTS AND OPPORTUNITIES

Several direct and indirect social and economic impacts and opportunities, relevant to business and industry procurement, have the potential to result from the Project. These are summarised below.

6.1 Revenue for business and indirect employment

Increased revenue will be generated by the Project in the form of purchase of goods and services from businesses, the purchase of goods and services by workers living in / around Julia Creek and the potential increase in demand of these goods and services leading to an indirect increase in employment in these businesses. During consultation, local businesses did not identify any barriers to participation in the Project. They are familiar with tendering with the McKinlay Shire Council (which Multicom has aligned its processes to), as well as to other major organisations operating in the region, such as Queensland Rail.

6.2 Increased competition for labour

Whilst generating increased business locally and hence encourage the employment of additional labour within those businesses, employment opportunities generated by the Project may otherwise negatively impact business operators during the construction and operation phases through increased competition for labour. Early engagement with these businesses and open lines of communication within the region as the Project commences and then operates will be critical for all stakeholders to put appropriate plans into action with respect to retention of personnel or the recruitment of new personnel.

6.3 Industry benefit

The Economic Impact Assessment (AEC 2020) identified the mining industry will be the greatest beneficiary of the Project, with moderate beneficiaries being electricity and water, trade and business services and business activity for the Port of Townsville, for the Economic Catchment within which the Project is located. It is noted that the Economic Catchment includes the LGAs of McKinlay, Charters Towers, Cloncurry, Flinders, Mount Isa, Richmond and Townsville (AEC 2020).

6.4 Impacts on existing industries

The manufacturing industry has been identified as the primary industry expected to experience adverse impacts because of reduced industry output. This is due to several reasons, including increased competition for labour and the increased cost of resources for conducting business (including the cost of securing a workforce) (AEC 2020). Additionally, as the Project is located on land currently used for cattle grazing, this land will be removed from grazing leading to a corresponding impact on the local businesses that support the grazing industry. Despite this, those same businesses and stakeholders may identify that their skills and services are readily transferable to requirements of the Project. The actual disturbance area of the Project accounts for only 0.1 percent of the livestock grazing area in the Northern Highlands SA2 area and as such is considered to be a very low potential impact.

7. BUY LOCAL STRATEGIES

This section outlines Buy Local strategies designed to meet the objectives of the Plan and in response to the identified impact areas and Coordinator General conditions, as summarised in **Table 2** below.

Table 2 – Buy Local Framework

Impact Area	Commitments
Local business opportunities	<ul style="list-style-type: none"> ▪ Develop and maintain a register of local, regional and Indigenous businesses ▪ Create local and regional awareness of the Project's procurement opportunities through ongoing engagement with the business community, such as newsletters and community forums (refer to Community and Stakeholder Engagement Plan) ▪ Publish the Buy Local Policy and Plan on McKinlay Shire Council's website
Indigenous businesses	<ul style="list-style-type: none"> ▪ Focus on identifying Indigenous businesses in the Project's economic catchment area during the construction phase and engage Indigenous businesses in the construction supply chain ▪ Identify Indigenous Businesses through the Black Business Register, Supply Nation and DSDSATSI ▪ Establish a target for Aboriginal and Torres Strait Islander business procurement on the project
Local Business Capability	<ul style="list-style-type: none"> ▪ Partner with Registered Training Organisations to provide local businesses with access to capacity building program
Barriers to entry	<ul style="list-style-type: none"> ▪ Require all Major Contractors to comply with the Buy Local Plan

7.1 Buy Local Policy Statement

Multicom is committed to maximising full, fair and reasonable opportunities for capable local suppliers to compete and participate in our supply chains on the Saint Elmo Project.

We recognise that significant socio-economic benefits can be achieved through sourcing products and services locally. We are committed to working with local suppliers, including indigenous businesses to ensure that they have the opportunity to supply goods and services to the Project.

To achieve this, we will:

- Identify supply opportunities throughout the mining life cycle (construction and operation phases);
- Communicate with local industry groups regarding supplier tendering requirements;
- Advertise tendering opportunities on Multicom's public webpage (available at <https://mcres.com.au/>);
- Identify local industry strengths and continue to support capability development programs;
- Work with suppliers to report on diversity objectives; and
- Report regularly on local procurement.

We value suppliers whose practices demonstrate commitment to sustainable development principles, supporting Multicom to achieve its sustainable development objectives.

We require our suppliers to be committed to safety and environmental standards and responsible, productive community relationships.

We value suppliers whose business relationships will have a positive and enduring contribution to the communities in which we operate.

7.1.1 Alignment with Code of Practice for Local Content

The Queensland Resources and Energy Sector Code of Practice for Local Content (the code) is an industry led and owned self-regulated initiative. The local content strategies within this plan have been developed in alignment with the code (QRC 2013).

The current version of this BLP will be published on Multicom's public website available at <https://mcres.com.au/> and McKinlay Shire Council's website available at: <https://www.mckinlay.qld.gov.au/>

7.1.2 Business Register

Multicom, through a collaborative effort with McKinlay Shire Council, will develop and maintain a register of local, regional and Aboriginal and Torres Straight Islander Businesses. This register will be provided to all major contractors engaged on the Project.

This register will also be published on Multicom's public website available at <https://mcres.com.au/>

Any new local or regional businesses that wish to be added to the register can do so by emailing Multicom via the contact page on the public website.

7.2 Procurement strategies and initiatives

All procurement associated with the Saint Elmo mine project will be undertaken in a reasonable manner so that local and regional business are free from any unreasonable specifications or requirements that could rule out local industry and are structured in such a way so as to provide local industries the opportunity to participate.

Where Multicom can support local businesses by upskilling to meet the needs of the Project, Multicom will work with those businesses to support them in navigating through those requirements, where possible.

Major contractors engaged on the Saint Elmo Project will be required to include details of, and report on, their proposed local procurement strategies as part of Multicom's tendering process. They will be required to align themselves with this plan and the associated QRC Code of Practice Implementation Guideline (2013).

7.3 Ongoing Business Engagement

All local and regional businesses including indigenous businesses listed on the Business Register will have the opportunity to be made aware of new advertised tenders as they are released.

Prior to commencing construction, local and regional businesses listed on the register will be asked if they would like to be included on an automated email notification. For those businesses that choose to be included in the notification, an automated email will be sent advising them of each new advertised tender and direct them to Multicom's public website (available at <https://mcres.com.au/>) where the tender will be available for view / download.

This process will streamline local business to have immediate and full awareness and opportunity in making tender submissions as soon as they are advertised. The early notification also provides businesses the most time possible to review, prepare and make tender submissions before the closing date.

This type of fast-tracked engagement will assist to foster transparent relationships between Multicom and all the local / regional suppliers and businesses.

Contact details will be provided on all advertised tenders to ensure that there are Procurement Engineers readily available to response to any Technical Queries (TQ) or Requests for Information (RFI) that businesses or suppliers might have regarding the advertised tenders.

7.4 Building Capacity for Local and Regional Businesses

Making local businesses aware of all advertised tenders early provides smaller businesses the chance to develop alliances or partner with other local or regional business. It is likely that these partnerships might also bring supply chains closer to the Project site which will reduce delivery timeframes for necessary goods and services. Some of which may include perishable items that require fast delivery timeframes which will benefit from being sourced closer to the end user.

Building local businesses will help to future proof local capability for the Saint Elmo Project and other similar industry / mining projects that might arise in the region into the future.

7.4.1 Julia Creek Smart Hub

Local businesses and industries are also expected to benefit from the proposed Julia Creek Smart Hub being developed by McKinlay Council (Strategy 27 of the 2019-2026 McKinlay Community Plan).

The Hub aims to provide access to high-speed internet, increase business and educational capabilities, improve digital literacy, and provide training facilities. Multicom has provided its support for this initiative and will work closely with the Council and local businesses to ensure the smart hub and its associated facilities are made use of for life of the project. This may include working with Registered Training Organisations (RTO) to run their training programs via the Hub and otherwise support the upskilling of and recruitment for local businesses.

7.5 Indigenous Business Participation

Multicom will work with Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Participation (DSDSATSIP) to ensure that all local and regional Indigenous businesses are provided with the opportunity to participate on the project. Prior to commencing construction, the ‘Black Business Finder’ (available at <http://www.bbf.org.au/about.html>) and Supply Nation (<https://supplynation.org.au/>) will be utilised as tools to identify all potential businesses that might be interested in being listed on Multicom’s Business Register discussed in section 5.1.2.

Both The Black Business Register and Supply Nation have search engines online that can filter by location, project types and also have advanced search functions.

Multicom will work with DSDSATSIP prior to construction to ensure all Indigenous businesses are encouraged to load their business profile into the Black Business Finder and Supply Nation ahead of commencing construction works to fast track their listing into Multicom’s Business Register. This will ensure they receive the automated email notifications of tenders as discussed in Section 5.3.

The Business Register will also delineate between Indigenous businesses and non-Indigenous business. This will ensure that Multicom can quickly understand which submitted tenders originate from Indigenous business and assist with reaching procurement targets discussed in the next section.

7.5.1 Aboriginal and Torres Strait Islander Procurement Targets

Multicom's Indigenous procurement targets have been developed in collaboration with the DSSDATSIP and are closely aligned with the Commonwealth Governments Annual Targets for Purchasing from Indigenous Enterprises (2020).

The Commonwealth Government has two types of targets for purchasing from Indigenous Enterprises.

1. Volume Target
2. Value Target

Given there are going to be significant value-based contracts awarded for highly specialised scopes of work, Multicom will initially adopt a volume base target for the project.

As per the Commonwealth Government's target for the upcoming financial year, the target for awarding contracts to Indigenous businesses (volume based) is three percent (3%) of the total number of eligible contracts. Eligible contracts are defined as the number of public tenders advertised on Multicom's public webpage for the next financial year (2022-2023).

Multicom will monitor the actual value spent on contracts awarded to Indigenous Businesses in 2022-2023 (first year of Construction). In preceding years, Multicom will consider incorporating a Value based target either in addition to, or in replacement of, the Volume based Target and will work closely with DSSDATSIP on developing these targets.

8. MONITORING AND REPORTING

Table 3 below summarises the monitoring of performance against the volume-based target set within the BLP for awarding contracts to Indigenous businesses. A reporting template aligned with the table below will be provided to Contractors to ensure the information reported to Multicom is accurate and relevant to this BLP.

Table 3 – Annual Target for Engagement with Indigenous Business

Targets	Data Source	Reporting Frequency
Three percent (3%) of the total number of eligible contracts	Supplier Registers Contracts awarded	Annually
Monitor the value spent on contracts awarded to Indigenous Businesses to assist with planning for future Value based targets	Annual Expenditure Reports	Annually

9. REFERENCES AND RELATED DOCUMENTS

- <https://mcres.com.au>
- Commonwealth Governments Annual Targets for Purchasing from Indigenous Enterprises (2020)
- Saint Elmo Vanadium Project Social Impact Assessment (ERM 2020) (Appendix 7 of the Project Environmental Impact Statement (EIS));
- Saint Elmo Vanadium Project Economic Impact Assessment, (AEC Group Ltd. 2020) (Appendix A8 of the Project Environmental Impact Statement (EIS));
- Section 3.2 of the Social Impact Assessment Guideline (DSDMIP 2018);

- Queensland Resources and Energy Sector Code of Practice for Local Content (2013)
- Queensland Resources and Energy Sector Code of Practice for Local Content (2013) Implementation Guide
- Commonwealth Governments Indigenous Procurement Policy (2020)
- Department of State Development, Infrastructure, Local Government and Planning (DSDMIP)
- The Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships (DSDSATSIP)
- The Mount Isa to Townsville Economic Development Zone (MITEZ)
- Commerce Northwest
- McKinlay Shire Council
- Commonwealth Governments Annual Targets for Purchasing from Indigenous Enterprises (2020)

10. ATTACHMENTS

Nil