

# Queensland Curtis Liquefied Natural Gas project

## Coordinator-General's change report number 2—Local Industry Participation Plan

March 2013

---

© State of Queensland. Published by Queensland Government, March 2013,  
63 George Street, Brisbane Qld 4000.

The Queensland Government supports and encourages the dissemination and exchange of information. However, copyright protects this publication. The State of Queensland has no objection to this material being reproduced, made available online or electronically but only if it is recognised as the owner of the copyright and this material remains unaltered. Copyright inquiries about this publication should be directed to [crown.copyright@qld.gov.au](mailto:crown.copyright@qld.gov.au) or in writing to: Administrator (Crown Copyright and Other IP), Department of State Development, Infrastructure and Planning, PO Box 15517, City East, Qld 4002.

The Queensland Government is committed to providing accessible services to Queenslanders of all cultural and linguistic backgrounds. If you have difficulty understanding this publication and need a translator, please call the Translating and Interpreting Service (TIS National) on 131 450 and ask them to telephone the Queensland Department of State Development, Infrastructure and Planning on 132 523.

**Disclaimer:** This report contains factual data, analysis, opinion and references to legislation. The Coordinator-General and the State of Queensland make no representations and give no warranties regarding the accuracy, completeness or suitability for any particular purpose of such data, analysis, opinion or references. You should make your own enquiries and take appropriate advice on such matters. Neither the Coordinator-General nor the State of Queensland will be responsible for any loss or damage (including consequential loss) you may suffer from using or relying upon the content of this report. By using or relying on such information you agree to indemnify the Coordinator-General and the State of Queensland against any loss arising out of or in relation to your use or reliance.

---

# Contents

1.	Introduction.....	1
2.	Public notification.....	1
3.	The proposed change.....	1
4.	Evaluation of the change request .....	2
	4.1. Current Queensland Government policy and Code of Practice for Local Content .....	3
	4.2. Current conditions and Code of Practice for Local Content requirements .....	3
5.	Conclusion.....	3
	5.1. Revised conditions and recommendations .....	4
	5.2. Distribution of change report.....	4

---

# 1. Introduction

*The Queensland Curtis LNG Project: Coordinator-General's evaluation report for an environmental impact statement (Coordinator-General's report)* was released in June 2010, pursuant to section 35 of the *State Development and Public Works Organisation Act 1971 (Qld)* (SDPWO Act).

The proponent for the project is Queensland Gas Corporation Ltd (QGC). In March 2013, QCG applied to the Coordinator-General seeking changes to the Local Industry Participation Plan condition in the Coordinator-General's report.

## 1.1 Legislative provision for change report

In March 2013, the proponent applied to the Coordinator-General to assess a proposed change to a project, under Division 3A, section 35B, of the *State Development and Public Works Organisation Act 1971 (SDPWO Act)*. In accordance with section 35C of the SDPWO Act, the Coordinator-General has evaluated the effects of the proposed change, its effects on the project and any other related matters, and prepared this Coordinator-General's change report.

## 2. Public notification

In accordance with section 35G of the SDPWO Act, the Coordinator-General must decide whether or not the proponent is required to publicly notify the proposed change application and any effects on the project.

The proposed change does neither materially affect the obligations contained in the relevant conditions nor require complex evaluation. Accordingly, it is the view of the Coordinator-General that the proposed change did not warrant public consideration and the request for project change was not publicly notified prior to evaluating the change application.

## 3. The proposed change

The change requests that the Condition 15, Part 3 – Social impact (Appendix 1), in the Coordinator-General's report be amended to enable the QCLNG project to continue with the actions outlined in Condition 15 until 1 January 2016. QCLNG intends to adopt the Queensland Resources Council Resources and Energy Sector Code of Practice for Local Content.

The change seeks to maintain consistency with government policy and the practices of other proponents seeking similar changes, and make reporting arrangements more efficient. The condition reads as follows:

### **Condition 15—Local businesses**

The proponent must, within three months of the project receiving Final Investment Decision to:

1. Develop a Local Industry Participation Plan which is consistent with the principles of the *Queensland Government's Local Industry Policy* and associated Guidelines.
2. The Local Industry Participation Plan must:
  - a. ensure potential local suppliers are provided with information in an equitable and timely manner
  - b. encourage local businesses to bid on potential contracts, and communicate project requirements
  - c. consider design strategies and adopt procurement strategies to maximise local participation
  - d. ensure local firms are provided with opportunities to supply under the same terms, standards and conditions as interstate or overseas businesses
  - e. ensure contracts are awarded on the basis of the best overall value, which includes due consideration of non-cost factors such as reliability, maintainability, servicing requirements
  - f. ensure the program incorporates performance measurements and feedback mechanisms.
3. The proponent is required to implement the Local Industry Participation Plan in consultation with the Department of Employment, Education, Economic Development and Innovation (DEEDI), and any relevant regional or industry organisation with similar aims for local business participation.
4. The proponent must ensure that the Local Industry Participation Plan is linked to the SIMP, community investment program funding principles and other related initiatives to consider option for mitigating on loss of skills to the LNG industry
5. The Local Industry Participation Plan is required to provide not less than six monthly progress reports to the RCCCs.

## **4. Evaluation of the change request**

### **4.1. Current progress on local content initiatives**

QGC has developed and implemented an Australian Industry Participation Plan in consultation with the former Department of Employment, Economic Development and Innovation. The plan was approved as meeting the requirements of the Local Industry Participation Plan.

The plan states how QGC will work with Queensland industry to maximise participation of local companies and give them full, fair and reasonable opportunity to tender for goods and services. The plan also sets out expectations of the benefits that will flow from the project to local industry and communities. QGC submit a bi-annual progress report on local content with the most recent progress report number 4 provided in November 2012. I note that QGC intend to voluntarily continue with actions outlined in Condition 15 until 1 January 2016.

---

## 4.2. Current Queensland Government policy and Code of Practice for Local Content

The Coordinator-General's *Terms of Reference* for future resource projects undergoing *Environmental Impact Statement* states in Section 7.2.1:

The assessment of economic impacts should outline strategies to encourage participation by local industry and the local workforce, including strategies for ensuring local suppliers of goods and services receive full, fair and reasonable opportunity to tender for work throughout the life of the project. Private sector projects are asked to commit to adopting the Queensland Resources and Energy Sector Code of Practice for Local Content 2013, administered by Queensland Resources Council (Code of Practice for Local Content).

Since May 2012, I have not conditioned project proponents under the SDPWO Act to submit a Local Industry Participation Plan. In addition, if a proponent commits to adopt the Code of Practice for Local Content, I will acknowledge the proponent's commitment and recommend that it be adopted.

QGC's current conditioning (Condition 15, above) is inconsistent with this current practice, and an amendment to the condition will bring it into line with current arrangements.

## 4.3. Current conditions and Code of Practice for Local Content requirements

Requirements under the Code of Practice for Local Content are consistent with outcomes sought under conditions set by the former Coordinator-General in May 2010. These include providing full, fair and reasonable opportunity for local industry to compete for the supply of goods and services for coordinated projects under the SDPWO Act and projects assessed under the *Environmental Protection Act 1994*, through the Department of Environment and Heritage Protection.

The Queensland Government and industry have a shared aim to see project proponents commit to engaging proactively with capable local suppliers.

The Code of Practice for Local Content asks proponents to adopt practical local content strategies to ensure there is early engagement with Queensland industry, and inclusive procurement practices and provides for guidance and support for proponents to deliver effective strategies.

## 5. Conclusion

Pursuant to section 35I of the SDPWO Act, my conclusions from the evaluation of the QGC application for project change, dated 18 March 2013, are below.

I have determined that the proposed change does not materially affect the obligations in Condition 15—Local businesses.

I have decided to withdraw the condition as QGC has committed to adopt the Code of Practice for Local Content, which is consistent with outcomes sought under the conditioning in June 2010.

I note the QGC's commitment to adopt the Code of Practice for Local Content and it is expected that this commitment will be implemented.

## 5.1. Revised conditions and recommendations

Conditions and recommendations made in this report are made pursuant to section 35I(2) of the SDPWO Act.

I conclude that Condition 15- Local businesses Part 3 – Social impact (Appendix 1), should be withdrawn, and a new recommendation 3 – Local Content be inserted in Part 3 – Social impact (Appendix 1). The recommendation is:

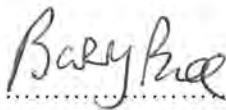
Recommendation 3 – Local Content

'The proponent is to adopt the Queensland Resources and Energy Sector Code of Practice for Local Content 2013, administered by the Queensland Resources Council.'

## 5.2. Distribution of change report

Pursuant to section 35J of the SDPWO Act, a copy of this report will be given to the proponent, and a copy will be made available at: [www.dsdip.qld.gov.au/coordinator-general](http://www.dsdip.qld.gov.au/coordinator-general)

As per section 35K of the SDPWO Act, the Coordinator-General's report on the EIS for the project, and the Coordinator-General's change reports, both have effect for the project. However, if the reports conflict, the Coordinator-General's change report prevails to the extent of any inconsistency.



Barry Broe  
Coordinator-General

27 March 2013

