



- ✓ Strategic focus
- ✓ Performance
- ✓ Industry Capability
- ✓ International cooperation
- ✓ Leadership
- ✓ Skilled workforce



## LOCAL INDUSTRY PARTICIPATION GETS A 10-STEP SHAKEUP

Once upon a time, it was a given that local suppliers would win lucrative contracts working on resource projects under way in Western Australia.

This scenario is now very different. Changes in global market conditions have made it harder for Western Australian companies to compete for contracts that would have otherwise been guaranteed.

The Local Content Report recently tabled in Parliament outlines the current situation facing the State's supply industry.

The report has an overriding message that the traditional relationship between project proponent and supplier has changed considerably.

To address this change, the State Government has introduced the Western Australia Local Industry Participation Framework. The 10-step framework will improve channels of communication with both suppliers and project proponents to ensure the

State has a complete picture of the benefits that resource projects bring to Western Australia.

Minister for Commerce Simon O'Brien said the Local Industry Participation Framework would ensure benefits from major resource projects continue to flow into the State.

"The framework will see the State Government work more intensively with proponents, who develop contestable and high value resource projects to examine in detail the ability to engage with locally-based manufacturing and service companies on their projects," he said.

"Mandating is not a viable option for Western Australia – it would be counter productive to the State's open investment and trading environment.

### WA INDUSTRY SUCCESSES:

- AGC: \$62 million worth of contracts to manufacture 8,200 pipe spools and fabricate and supply adjustable pipe support structures for Gorgon.
- Cvmec: 10,000 tonnes of structural steel for Gorgon.
- WA-based divisions of Kentz Corporation and CB&I: \$US2.3 billion for the mechanical, electrical, instrumentation and commissioning support contract for Gorgon.

Combined, these projects are expected to create more than 1800 local jobs, with a significant number at the AMC.

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“I believe the State Government’s new approach to local industry participation will realise genuine and tangible results for our local suppliers.”

Information and Communications Technology (ICT) representative Sharon Brown said the framework was an important step in the right direction for the ICT industry.

“The ICT industry is an important component to the development of resource projects and this is often overlooked,” Sharon said.

“Take Rio Tinto’s remotely controlled mines. Without the hardware and software developed by the ICT industry this project would not be able to take place.

“The framework will hopefully see benefits flow through to the State’s ICT industry.”

APPEA’s Stedman Ellis said the new framework provided a good basis to work together to help Australian businesses capture current and future opportunities.

“The development of high quality and competitive local suppliers is of vital importance to the oil and gas sector both in developing projects and the longer term operations and maintenance phase,” he said.

Minister O’Brien said the Local Industry Participation Framework would be underpinned by strong political leadership and communication with project proponents was a high priority for both the Minister and the Premier.

For more information on the State Government’s new approach and to access the Local Content Report, visit:

[www.commerce.wa.gov.au/localindustry participation](http://www.commerce.wa.gov.au/localindustry participation)



“The Western Australian Government’s approach to local industry participation will ensure local industry receives full, fair and reasonable opportunity to participate in major resource projects taking place throughout the State.”

Hon. Colin Barnett  
Premier of Western Australia

## LOCAL INDUSTRY PARTICIPATION FRAMEWORK

- 1 **Strategic focus** – improved understanding of international business and procurement trends.
- 2 **Supplier performance** – open discussions with project proponents and suppliers to improve competitive performance.
- 3 **Definition of local benefit** – project proponents must demonstrate how they are contributing to the community including investment in research and development; regional and community initiatives; support for training and skilling; indigenous employment; and overseas opportunities for competitive local suppliers.
- 4 **Strategic projects** – Industry Participation Plans for high value projects.
- 5 **Industry Capability Network WA** – greater strategic input for both suppliers and the State Government.
- 6 **Local Industry Participation Unit** – the unit within the Department of Commerce will have a strengthened role.
- 7 **Commonwealth Government** – greater communication with relevant Federal Government Ministers and departments.
- 8 **International Cooperation** – explore opportunities for greater international collaboration.
- 9 **Leadership** – The State Government will emphasise full, fair and reasonable opportunity to participate.
- 10 **Skilled workforce** – workforce planning and training.



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# STUDY IDENTIFIES POTENTIAL LOCATIONS FOR PILBARA COMMON USER FACILITY

Two sites have been identified as possible locations to develop a marine-based Common User Facility (CUF) in the Pilbara.

The Common User Facilities North West Study was prompted by the need to further develop the economic base in the North-West and provide more opportunities for regional communities.

The study focused on identifying potential locations and the type of facilities and infrastructure needed to support the growth and development of the oil and gas, resources, defence, housing, building and construction industries.

Commerce Minister Simon O'Brien said the Pilbara was one of Australia's most important economic zones.

"There is significant demand for CUF infrastructure in the Pilbara region, and as more resource projects in the State become a reality this demand will grow even further," he said.

"Upcoming projects such as Gorgon, Wheatstone, Browse and Ichthys will require this infrastructure for subsea

installation and ongoing inspection, maintenance and repair work for more than 30 years. By investing in this common use infrastructure, the State is encouraging the development of local industries to service these projects."

Anketell Port and Port Hedland's Lumsden Point have been selected as potential locations.

A CUF in the north would consist of wharves, lifting lay down areas, repair and maintenance and load-out facilities and enable companies to work closer to their developments.

The project would be modeled on the successful AMC-CUF. Following the initial study, a steering committee will be formed to further develop the project.

The study is a combined State Government initiative between the Department of Commerce and the Pilbara Cities Office of the Department of Regional Development and Lands.

A copy of the study can be found on the Department of Commerce website.

[www.commerce.wa.gov.au/cufnorth](http://www.commerce.wa.gov.au/cufnorth)



## PREMIER OPENS CIVMEC

Civmec Construction & Engineering Pty Ltd's \$30 million, waterfront fabrication and assembly workshop has been officially opened by the Premier of Western Australia, Hon. Colin Barnett.

At 29,192 square metres - the size of two Australian Rules football ovals - the undercover facility is the largest of its kind in Australia.

Civmec's Chief Executive Officer Jim Fitzgerald said the company's significant investment to build a facility at the Australian Marine Complex (AMC) demonstrated its confidence in the future of the industry.

"Both the management support and the world class infrastructure available at the AMC-Common User Facility (CUF), including the floating dock, heavy load out wharves and the 4,600 tonne capacity SPMT transporters, mean that Civmec is well positioned to take on and deliver a diverse range of major projects," he said.

"Civmec's unique location, diverse capabilities, advanced technology and strategic innovation means that we are well on the way to building a solid reputation and closing the gap between us and our overseas competitors.

"Our goal now is to maximise our participation in local Australian projects as this will enable Civmec to expand and grow. This, in turn, will lead to the creation of many jobs, including traineeship opportunities, and will positively contribute to the general economic well-being of the local community."

Over the past 18 months, Civmec's Precast Concrete business unit has manufactured some of the largest onsite precast concrete structures ever undertaken in Western Australia.

Eleven Precast concrete caissons, weighing 450 tonnes each, were made for the Gorgon MOF Wharf Construction at Barrow Island. Also, two seawater intake structures of 420 tonnes each were constructed for the Southern SeaWater Alliance's Binningup Desalination Plant. All of these items were transported to the AMC shipping load out point by the Self Propelled Modular Transporters.

Civmec is working on the fabrication and mechanical assembly of a large wharf module and tripper section for Rio Tinto. When assembled, the module will extend some 100 metres in length, will weigh about 2,600 tonnes and will occupy the full 30 metre width and 20 metre height of the large module assembly bay in Civmec's workshop.

The manufacture of numerous precast foundation structures destined for the Gorgon Barrow Island Onshore Civil Works Project is also under way. By manufacturing the structures at Civmec's AMC facility, the environmental impact on Barrow Island is minimised.

In the near future, Civmec will commence work to build a large, single-cell, twin rail wagon unloader for Metso Minerals. The unloader, weighing approximately 350 tonnes, will be the largest of its kind in Australia and will be used in Rio Tinto's iron ore operations in the Pilbara.

Civmec is currently making plans for phase two of its facility at the AMC, which will include a 6,300 square metre office complex. When complete in 2012, the complex will house more than 400 people and will feature a café and alfresco dining area, meeting rooms and a medical centre. Office space will be available for long term lease to suitable tenants.



*Premier Colin Barnett congratulates Civmec's Pat Tallon and Jim Fitzgerald at the official opening.*

Civmec is a multi-disciplined, Western Australian company with a solid reputation for large and small scale civil construction and engineering projects. Civmec provides a variety of products and services including civil construction, precast concrete, steel fabrication, structural/mechanical and process piping and insulation to the mining, oil and gas, defence, infrastructure, utility and power sectors.

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## WORKSHOP FEATURES, CAPABILITIES AND TECHNOLOGIES

Civmec's workshop consists of eight main undercover bays that house automatic computerised numerically controlled steel fabrication systems designed to make steel fabrication more efficient and cost-effective. Two of the eight bays can be isolated when required so that specialist carbon steel and stainless steel pipe spooling work can take place.

The workshop houses a large modular assembly bay where modules 20 metres in height, 29 metres in width and up to 150 metres in length can be constructed and commissioned.

Bay six in the workshop is where the main office, meeting rooms and production control centre is – it's fully equipped and serviced with modern systems and conveniences to cater for up to 80 staff. There is also a first aid room and dining facilities to accommodate up to 600 workshop employees.

Outside the workshop, Civmec has 18,000 square metres of bitumen-sealed outdoor lay down space, a post-weld heat treatment area for stress relieving large welded structures and parking for over 600 cars.



## BIG WIN

Civmec has won a contract to supply approximately 10,000 tonnes of structural steel for the \$43 billion Gorgon Project. The steel will be used in the construction of the gas processing plant on Barrow Island.

The contract will create work for some 60 employees at Civmec's workshop over 18 months.



## EUROPE COMES TO THE AUSTRALIAN MARINE COMPLEX

A delegation of 13 European Union representatives from nine countries recently visited the Australian Marine Complex (AMC).

The Economic Counselors' tour was part of a four day visit to Western Australia aimed at showcasing the State's key industries and economic drivers.

The group comprised Consuls, First Secretaries and Trade Commissioners from Austria, Belgium, the Czech Republic, Finland, France, Ireland, Italy, Poland, the United Kingdom and two European Union representatives.

The visit included a briefing at the Jakovich Centre by John O'Hare, General Manager Marine, Defence, AMC, Oil and Gas Branch; Jonathan Smith, Business Unit Manager – Marine & Defence, AMC Management (WA) Pty Ltd; and Mike Robinson, Sales and Marketing Manager; Subsea Systems, FMC Technologies.

John O'Hare said visits such as this were important because they enabled the State to promote investment attraction opportunities to future investors.

After the briefing, the delegation toured the AMC precincts and the Common User Facility before visiting FMC Technologies' new facility.

## WESTERN TRADE COAST DEVELOPMENTS

State Cabinet has approved the creation of a Western Trade Coast (WTC) Industries Committee to replace five separate committees involved in the planning of the WTC region.

The WTC region comprises the Australian Marine Complex (AMC), the Kwinana Industrial Area, Latitude 32 Industry Zone, and the Rockingham Industry Zone. It currently produces \$15.5 billion annually and employs 11,600 people.

The WTC Committee provides a forum where the current AMC Business Development and Overarching Committees can raise infrastructure, planning and industry issues that impact the complex.

The committee will help to create an even stronger focus on the area and assist with attracting further investment, development of industry synergies while delivering more jobs for the local community.

The State Government's long term aim is to increase the WTC's output to \$28.3 billion annually and generate 22,000 jobs.

The AMC will continue to liaise with Western Australia industry. However, it will benefit by having a representative on the committee which will provide an opportunity to develop synergies with nearby industrial precincts.

Premier Colin Barnett said the decision would ensure the efforts of government were better co-ordinated to maximise the region's economic and employment potential.

The WTC Committee will be chaired by South Metropolitan MLC Phil Edman, who currently chairs the Rockingham Kwinana Planning and Development Taskforce. Chris Oughton, the Director of the Kwinana Industries Council, will be deputy chair. The appointments are for two years.

Other committee members will comprise senior representatives from the Departments of Commerce and State Development, Planning, LandCorp, Environment and Conservation and Transport, the cities of Rockingham and Cockburn, the Town of Kwinana and two industry representatives.



## THE END OF AN ERA – MIKE BAILEY RETIRES

On June 30, Mike Bailey officially retired from the day to day operations of the Australian Marine Complex Common User Facility (CUF) with AMC Management Pty Ltd.

Mike is a founding partner of AMC Management and has played a pivotal role in the CUF's success. The company started 11 years ago with Mike and an administration support officer operating from a small office on Canning Highway. Since then, the company and its role has grown through Mike's guidance and leadership.

The AMC-CUF continues to be unique in its ownership and operating model. Attempts by other states and countries to replicate this model have not been as successful for local industries.

When Mike commenced the management of the CUF in 2003, there was no model to follow. No facility like it existed anywhere in the world.

Early development of the CUF focused on creating an effective marketing and industrial relations framework where Mike's input was invaluable. Mike then took this framework and built a robust integrated management system that would manage multiple concurrent users.

This was critical, particularly with respect to environmental management, occupational health and safety, industrial relations, and port security arrangements on a single site.

The first few years were a steep learning curve for both AMC Management and the companies using the CUF.

By the fourth year the CUF was well on its way, the government was confident in its investment and users were returning with repeat contracts. With this growing confidence, the second stage development of the CUF was approved.

Mike directed the construction of the floating dock, taking on the role of project manager. With Mike's oversight the floating dock was commissioned in February 2010 and has since become a great asset to the CUF. It has opened new opportunities for local industry, won accolades from the Chief of Navy for the responsiveness to the Navy's requirements and exceeded all expectations for its commercial use.

Under Mike's stewardship AMC Management far exceeded the expectations of the State Government in taking a fledgling concept to a world class facility.

The Department of Commerce and LandCorp would like to thank Mike for his contribution in making the CUF the success it is today. We wish him well in his retirement.

As a director of AMC Management Pty Ltd, Mike will retain his role in directing the company's strategic direction. This is far from goodbye, just au revoir.

Jonathan Smith will take over the General Manager position.

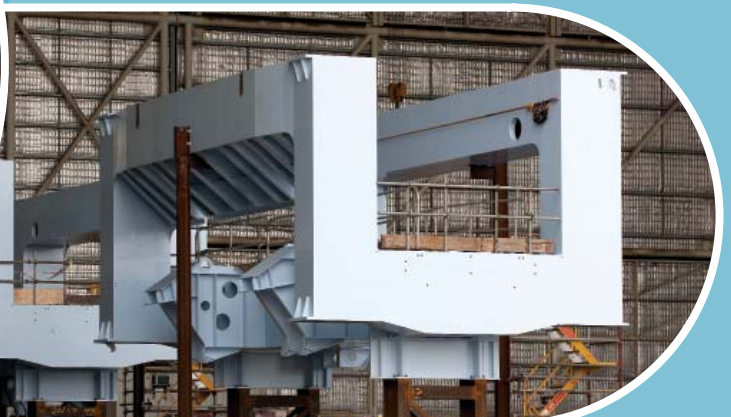
**While Mike may have left, the CUF is still as busy as ever. The AMC floating dock has been used to lift a number of barges simultaneously as they undergo maintenance and repairs.**

## CAR DUMPER TAKES SHAPE

AGC is progressing with the delivery of a twin cell car dumper and positioners for Metso Minerals. Awarded in March last year, AGC carried out the fabrication of the car dumper and positioners in their fabrication facilities in Kwinana, with assembly currently taking place at AMC's Common User Facility in Henderson.

The car dumper and positioners will be located at Finucane Island and are scheduled for delivery / installation May 2012.

AGC has a proven track record in delivering various specialist complex components for the Minerals sector and has previously supplied five car dumpers to Metso for various clients including BHPB, Rio Tinto and FMG.



# OCEANEERING AT THE AUSTRALIAN MARINE COMPLEX

In January 2011 Oceaneering Australia Pty Ltd moved into Stuart Drive at the Australian Marine Complex (AMC).

Oceaneering is a global oilfield provider of engineered services and products for the offshore oil and gas industry. The company's Western Australian arm is currently expanding and recently acquired two businesses to build on its already strong capabilities.

General Manager Tony Connell said Global Technical Services and Ocean Industries were both successful companies in their own right and their acquisition would position Oceaneering to take advantage of current and growing markets.

"Oceaneering has been steadily active in the Australian market for more than 30 years but we recently broadened our scope in response to the increase in oil and gas activity in Western Australia," Tony said.

"Through our expansion we have been able to offer a greater range of services and products to our expanding customer base in Australia."

The company's Umbilical Manufacturing Group was recently awarded a contract to supply BHP Billiton with umbilicals for the US\$1.4 billion Macedon Project in the North-West.

Oceaneering's ROV and Deepwater Technical Solutions Tooling groups have also been awarded the Exxon Mobil contract to support the Deepwater Frontier drilling campaign for the Jansz Field.

Tony said this work would be managed from both the Perth office and the AMC facility on Stuart Drive.

"We chose the AMC to locate our workshop as it offered the best outlet and profile for our business strategy," he said.

"In many ways, the AMC emulates facilities located around the world where we operate including Angola, Brazil, Canada, Equatorial Guinea, Ghana, Norway, the Gulf of Mexico, Tanzania and Singapore. This business model makes sense to us and the AMC fits right in."

Oceaneering manufactures and supplies remotely operated vehicles, mobile offshore production systems, built-to-order speciality subsea hardware, engineering and project management, subsea intervention and installation services, non-destructive testing and inspection services and made to order subsea umbilicals.

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## PROMOTE YOUR COMPANY IN THE AMC NEWS

The AMC News is received by more than 2000 readers including other businesses within the AMC, key industry representatives from many organisations, local councils and the media. This newsletter is a great way to promote your business and the new ventures at the AMC. In each issue we profile different companies within the Shipbuilding, Fabrication, Technology and Support Industry Precincts as well as Common User Facility activities.

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