**Australian Industry Participation (AIP) Plan Executive Summary**

**1. General Protect Details**

**Company Name:** Kalium Lakes Potash Pty Ltd (Kalium)

**Description of the project:** Kalium intends to develop a sub-surface Brine deposit to produce a Sulphate of Potash (SOP) product by undertaking an evaporation and processing operation. The Beyondie Sulphate of Potash Project (BSOPP) consists of a series of evaporation and crystalliser ponds, production bores and trenches, a purification processing plant, natural gas pipeline and the necessary supporting infrastructure to support the mine and its personnel. The Project will be conducted in two stages. Stage **1** is currently in its final stages of completing a Bankable Feasibility Study, targeting commencement of construction by late 2018 or early 2019. The Project estimates that construction for Stage **1** will be completed by Q4 2019, with first product expected by Q1 2020. Stage 2 centres around extending the life of the mine beyond 23 years. Timing for Stage 2 is yet to be determined as it is subject to successful completion of Stage 1.

**Estimated total project value:** $150 million

* **Estimated value of key goods and services procured for the project (if different to total project value) :** $130 million

**Project location:** 160km south east of Newman, WA, near the Beyondie Lake

**Link to project information:** [http://www.kaliumlakes.com.au/beyondie-potash-project](http://vvvvw.kaliumlakes.com.au/beyondie-potash-project)

**Project contact for procurement information:** Rudolph van Niekerk, (08) 9240 3200, [rudolph@kaliumlakes.com.au](mailto:rudolph@kaliumlakes.com.au)

**2. Opportunities for Australian industry involvement**

|  |  |  |
| --- | --- | --- |
| **List of goods and services to be procured for the project and the expected opportunity for industry participation** | **Opportunities for Australian suppliers\*** | **Opportunities for overseas suppliers** |
| **Services** |  |  |
| Gas Pipeline Design | Yes | No |
| Gas Pipeline Surveyors | Yes | No |
| Trench Installation | Yes | No |
| Pipe Installation | Yes | No |
| Delivery Station Construction | Yes | No |
| Inlet Station Construction | Yes | No |
| Engineering, Procurement & Construction Management\*\* | Yes | No |
| Process & Functional Design — Purification Plant\*\* | No | Yes |
| Project Execution — Purification Plant\*\* | Yes | No |
| Process Design — Evaporation Ponds' | Yes | No |
| Liners Install\*\* | Yes | No |
| Bore/Trench Pump Stations Design and Construct\*\* | Yes | No |
| Brine Bore and Fresh Water Bore Development\*\* | Yes | No |
| Brine and fresh water pipeline installation\*\* | Yes | No |
| Logistics\*\* | Yes | No |
| Diesel Supply\*\* | Yes | No |
| Earthworks\*\*2 | Yes | No |

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| **List of goods and services to be procured for the project and the expected opportunity for industry participation** | **Opportunities for Australian suppliers\*** | **Opportunities for overseas suppliers** |
| Surveyors\*\* | Yes | No |
| IT & Communication Services\*\*3 | Yes | No |
| Road Design & Construction\*\*3 | Yes | No |
| Camp Services\*\* | Yes | No |
| Laboratory Services\*\* | Yes | No |
| Village Design & Construct\*\* | Yes | No |
| Non-Processing Infrastructure & Buildings Design & Construct\*\* | Yes | No |
| **Goods** |  |  |
| Gas Pipeline Supply | Yes | Yes |
| Process Plant Equipment\*\* | Yes | Yes |
| Accommodation Village \*\* | Yes | No |
| Potable Water Treatment Plant\*\* | Yes | No |
| Waste Water Treatment Plant\*\* | Yes | No |
| IT & Communication Facilities\*\* | Yes | No |
| Mobile and Ancillary Equipment\*\* | Yes | Yes |
| Site Buildings including Office Building and Storage\*\* | Yes | No |
| Fuel Storage Tanks\*\* | Yes | No |
| Bore & Trench Pump Station Supply\*\* | Yes | No |
| Brine and Fresh Water Pipeline Supply\*\* | Yes | No |
| Weir Supply\*\* | Yes | No |
| Power Station\*\* | Yes | No |
| Weighbridge\*\* | Yes | No |
| Pond Liners Supply\*\* | Yes | No |
| Steam Generation Plant\*\* | Yes | No |
| Chilled Water Generation Plant\*\* | Yes | No |
| Electrical Switchrooms\*\* | Yes | No |
| Cooling Towers\*\* | Yes | No |
| Small Batch Plants\*\* | Yes | No |
| Transformers\*\* | Yes | No |

\*An Australian supplier means an entity that has an ABN or an ACN.

\*\*Final contract negotiations against those particular packages indicated in the table above, commenced in June 2018.

1 Contract awarded and work in progress as required to confirm design parameters for BFS.

2 Parts of this contract commenced during pilot works as part of BFS.

3 Part of this work awarded and commenced as part of BFS.

4 Second-hand prefabricated buildings already purchased.

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Disclaimer: The information provided in the table above is based on an initial assessment by the company. Any questions or issues should be raised with the project contact.

**3. Communication Strategy**

* Kalium's website will publish information on the project and supply opportunities, along with details on how Australian suppliers who are interested in participating in the Project can send an expression of interest.
* Kalium will promote potential supply opportunities and contact details for registration of interest by advertising in the project area, local media publications and Linkedln.
* Kalium will make direct contact with local businesses in and around Newman and Kumarina (i.e. local businesses near the project area) regarding opportunities to supply services and goods.
* Kalium will proactively liaise with Aboriginal Corporations about the available employment opportunities in the Project.
* Kalium will actively seek information on Australian industry capability through various means including desktop research of industry and local publications, working with procurement experts from the engineering company to ascertain potential Australian suppliers, and assessing local expertise in Newman and Kumarina.

**4. Opportunities through all tiers of supply and in all stages of the project**

* Where available, Australian Standards will be used. If the products are bespoke and not available in Australia, International Standards will be used.
* The criteria Kalium uses to assess potential suppliers includes, amongst others, assessing against 'local presence' (contracts under $250,000) or 'Australian experience and capability' (contracts over $250,000). The bulk of contracts that Kalium is looking to award is to tier 3 and tier 4 suppliers.
* To ensure the flow-down of the AIP requirements, as a standard when awarding contracts, Kalium will include in its contractual clauses for services and goods a clause endorsing its AIP Plan and its requirements of contractors working on the Project to ensure full, fair and reasonable opportunity is provided to Australian industry.
* Kalium will ensure that tenderers have a fixed response date, and will not grant extensions of time that would discriminate against other tenderers who have submitted tenders within the original timeframe stipulated. .
* Kalium will assess tenders from Australian and overseas suppliers on the same basis.

**5. Opportunities for longer-term participation**

* Since the Project is working with tier 3 and 4 suppliers, Kalium will provide onsite training and execution support to these contractors to encourage capability development.
* Kalium will facilitate strategic partnering by encouraging overseas suppliers who are interested in supplying the Project to partner with an Australian company in the delivery of the package.
* Given that BSOPP will be the first project of its kind in Australia, Kalium will develop Australian industry's expertise through the transfer of SOP production knowledge through the employment of staff and the engagement of local industry throughout the lifecycle of the Project.
* Where requested, Kalium will provide verbal feedback to unsuccessful and successful Australian suppliers to encourage performance improvement in future tenders.

**6. Procedures and Resources**

* Kalium will develop standard contractual arrangements with suppliers to give Australian industry opportunities to participate in the Project.
* Kalium will develop a system to monitor and report on the extent of Australian industry participation.
* Kalium will review its engineering company's proposed vendor list, to ensure that opportunities are provided to Australian industry, and where identified, will recommend to the engineering company to include Australian suppliers that have expressed an interest to participate in the Project.

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