

We delivered a \$1 billion benefit to a major global miner through improving their contractor engagement methods across multiple projects, thereby reducing the risk of project and production delays

The Challenge

A major global miner was faced with key issues of ensuring availability and competitiveness of contractor capacity. The company has a plan to significantly expand production by 2015; however, it competes in Western Australia, which is faced with a growing contractor capacity shortage.

The company engaged Deloitte to provide strategic advice to establish improved contracting engagement in a constrained labour market to better access talent and resources.

How we helped?

Deloitte worked with the miner's 10 top contractors with the aim of pre-allocating contracts across the program over the next 4 to 5 years. We collated information provided by the contracting organisation and developed a framework to evaluate any proposed contracting models. We then developed a high-level view of the 'base case' demand in the local market over the duration of the next 5 years.

We developed integrated models of the impact that different contractor engagement methods have on the business, including the following:

- Packaging model
- Commercial model
- Pricing model
- Engagement model.

Value delivered

The recommendation provides superior value of over \$1 billion and a superior risk profile to the existing base case. The recommendation also brought the client a number of additional benefits including:

- Implementing a management process for future projects
- Improving contractor communication and program transparency
- Reducing the necessity to tender through the development of flexibility float in schedules across key projects.



Contacts

Marc Philipp

Partner – [Deloitte Consulting](#)

Tel: +61 2 9322 7096

mphilipp@deloitte.com.au

Bruce Williamson

Partner – [Deloitte Consulting](#)

Tel: +61 3 9671 7772

bwilliamson@deloitte.com.au

Jon Ma

Partner – [Deloitte Consulting](#)

Tel: +61 3 9671 6401

jma@deloitte.com.au

Julian Dolby

Partner – [Deloitte Consulting](#)

Tel: +61 7 3308 7203

jdolby@deloitte.com.au

Anthony Robinson

Partner – [Deloitte Consulting](#)

Tel: +61 8 9365 8057

anthrobinson@deloitte.com.au

This publication contains general information only, and none of Deloitte Touche Tohmatsu Limited, its member firms, or their related entities (collectively the "Deloitte Network") is, by means of this publication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser. No entity in the Deloitte Network shall be responsible for any loss whatsoever sustained by any person who relies on this publication.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/au/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms.

About Deloitte

Deloitte provides audit, tax, consulting, and financial advisory services to public and private clients spanning multiple industries. With a globally connected network of member firms in more than 150 countries, Deloitte brings world-class capabilities and deep local expertise to help clients succeed wherever they operate. Deloitte's approximately 170,000 professionals are committed to becoming the standard of excellence.

About Deloitte Australia

In Australia, the member firm is the Australian partnership of Deloitte Touche Tohmatsu. As one of Australia's leading professional services firms, Deloitte Touche Tohmatsu and its affiliates provide audit, tax, consulting, and financial advisory services through approximately 5,400 people across the country. Focused on the creation of value and growth, and known as an employer of choice for innovative human resources programs, we are dedicated to helping our clients and our people excel. For more information, please visit our web site at www.deloitte.com.au.

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Touche Tohmatsu Limited

© 2011 Deloitte Touche Tohmatsu

DFE_HYD_Job 338_D1_11/11