

BMA LOCAL BUYING PROGRAM

BUILDING OUR FUTURE TOGETHER

BMA Local Buying Program Annual Report

30 June 2015

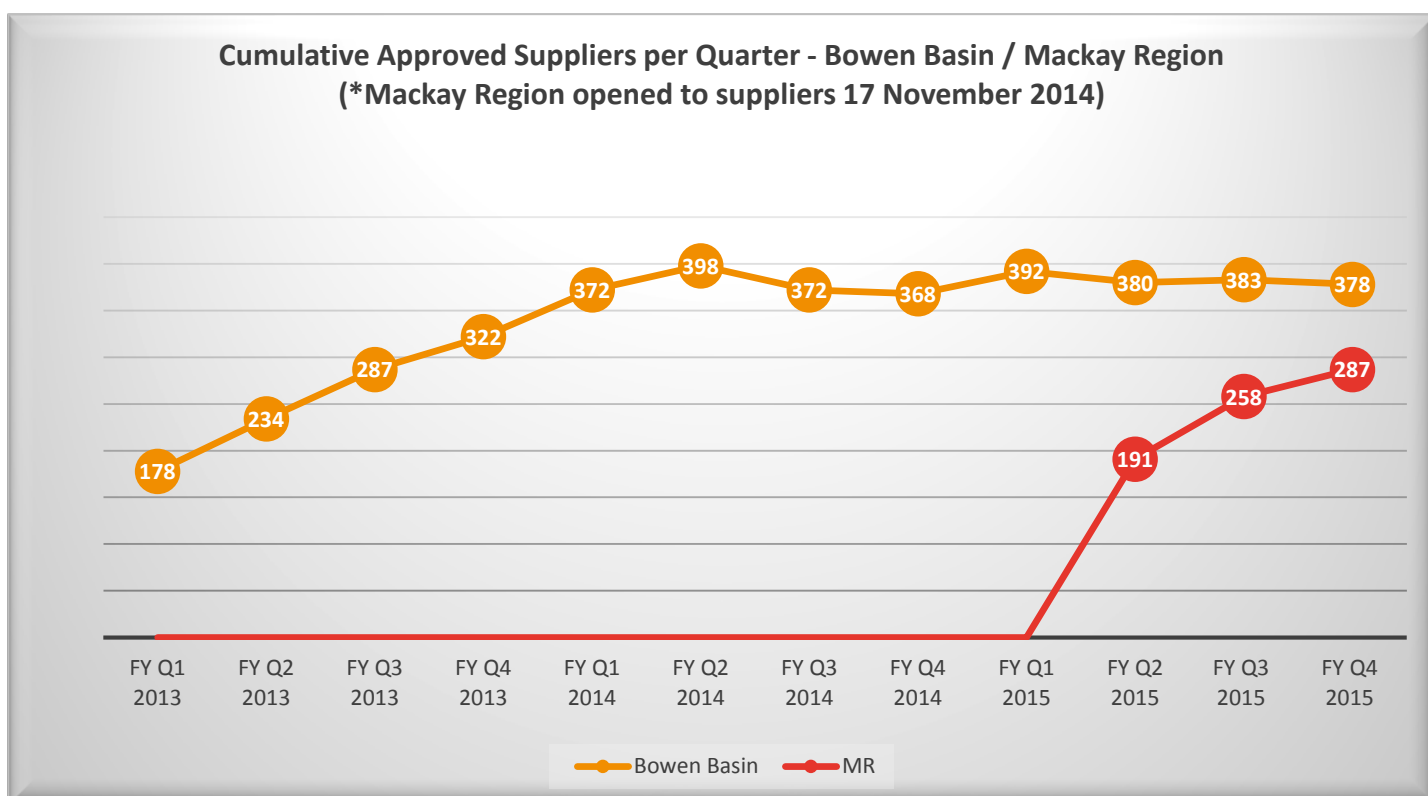
The **BMA Local Buying Program**, delivered in partnership between BMA (BHP Billiton Mitsubishi Alliance), BMC (BHP Billiton Mitsui Coal) and C-Res, continues to remain a targeted program providing opportunities for small businesses with less than 25 full-time employees to competitively supply goods and services to BMA / BMC. Businesses registered or operating as their primary place of business in the communities of Blackwater, Capella, Dysart, Emerald, Moranbah and Nebo are eligible to supply goods and services to BMA / BMC operations located in the Bowen Basin. Businesses registered or operating a primary place of business in the Mackay Region are eligible to supply goods and services to BMA Hay Point Coal Terminal and BMC.

The Program has been transacting since July 1 2012 through the online portal www.localbuying.com.au. The progress of the Program since this date can be measured by the number of businesses registering to participate, the number of work opportunities made available to businesses, the category utilisation and the amount of approved spend going back into BMA and BMC's host communities.

The following information relates to the program since commencement on 1 July 2012.

1. Business Registrations

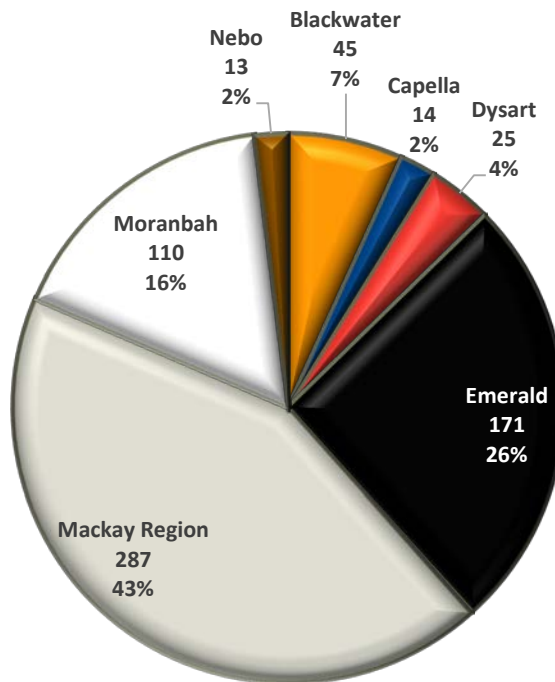
At the end of June 2015, **665 local businesses** were approved to participate in the Program (from a total of 1,051 registrations) – 378 located in the Bowen Basin and 287 located in the Mackay region.



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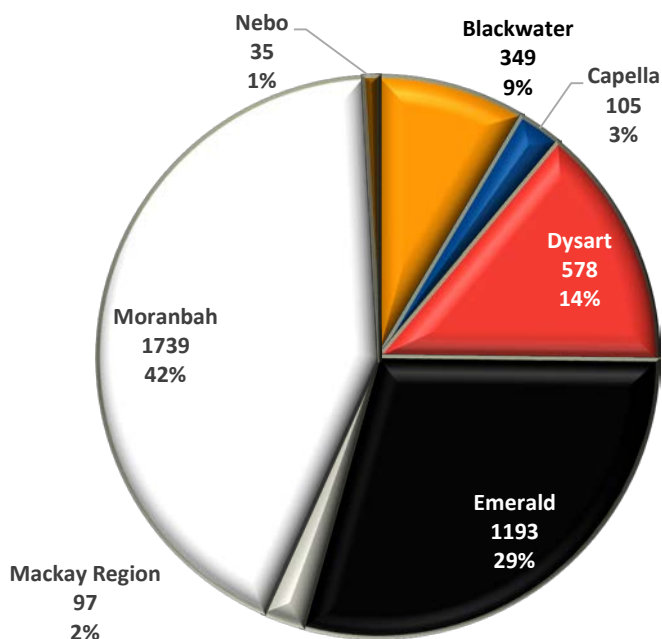
Approved Suppliers **ALL** - PTD (June 2015)
Total = 665



2. Work Instructions (WI) Per Community

A total of **4,869** work opportunities have been made available to local businesses with **4,096** approved work packages. Hay Point Coal Terminal was activated to enable site users to process Work Instructions for the Mackay Region on 1 December 2014.

Approved WI's per Community -
PTD (June 2015)
Total = 4,096

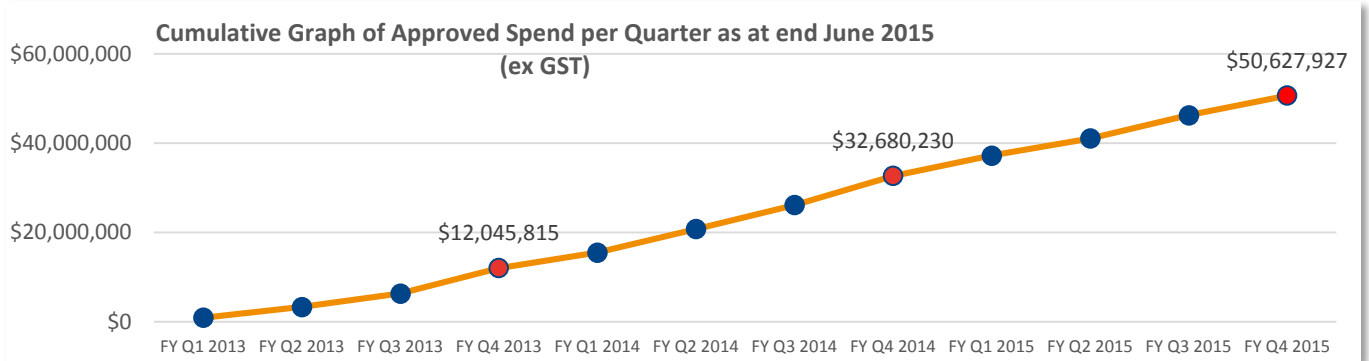


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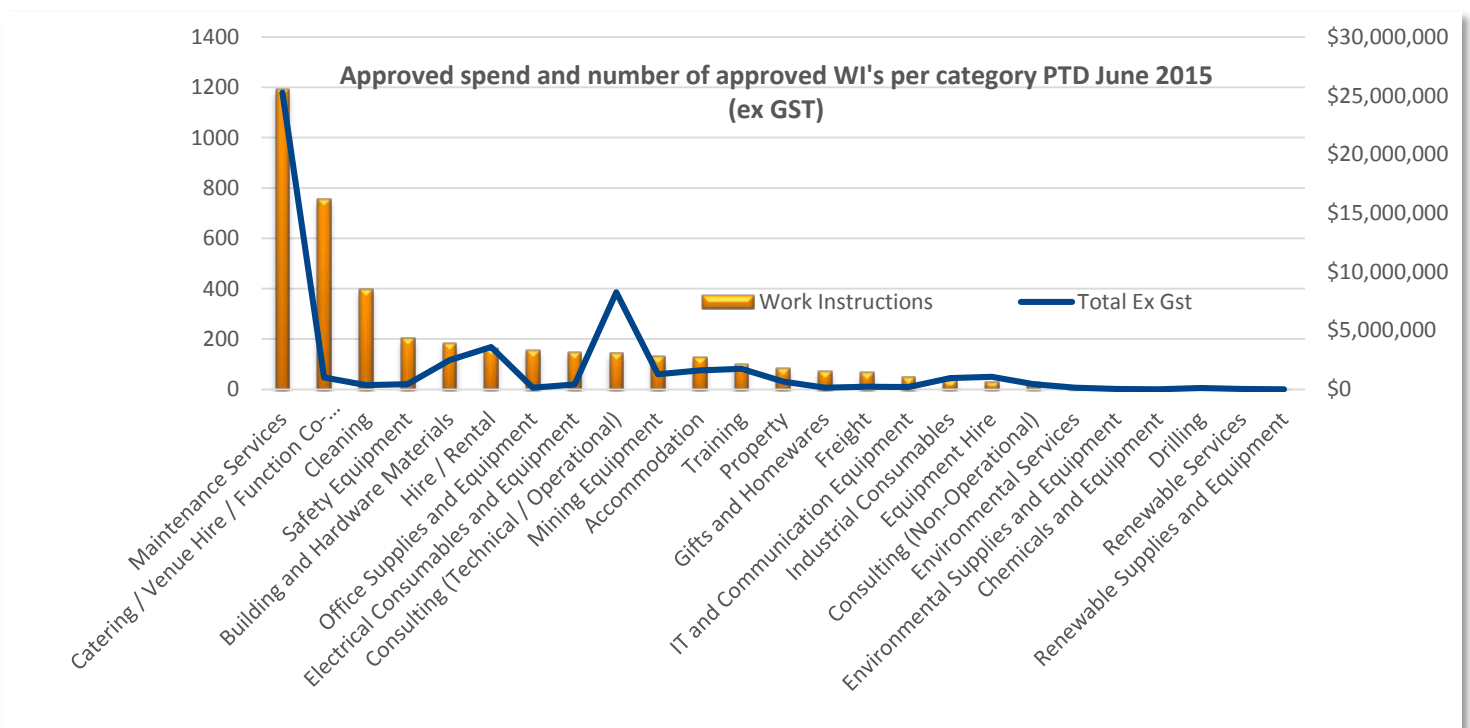
3. Payments and Total Approved Spend

A total of **7,429 full and partial payments** have been made to suppliers. The *average* supplier payment time is **11 days from supplier claim to payment**. The total approved spend program to date (Work Instructions with a Purchase Order) was approximately **\$50.6M**.



4. Category Utilisation – Goods and Services

The following graph represents the number of approved Work Instructions per Goods and Services categories as at June 2015.



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Key Partnership

BMA and BMC acknowledges the success of the program is due to the key partnership developed between BMA, BMC and C-Res. C-Res is a subsidiary of REDC (Mackay Isaac Whitsunday Regional Development Corporation) and has been established to ensure the successful and transparent delivery of BMA's Local Buying Program as a cost-neutral entity. C-Res is responsible for coordinating the day-to-day deliverables of the Program including liaising with local suppliers and BMA/BMC users.



PROUDLY DELIVERING THE BMA LOCAL BUYING PROGRAM IN PARTNERSHIP

Local Buying Community Foundation

The **Local Buying Community Foundation** is a critical element of the **BMA Local Buying Program**. The Foundation aims to enhance the economic sustainability of communities within BMA and BMC's immediate operational footprint. Through programs and initiatives that target local business training and development needs, the Local Buying Community Foundation is assisting to build and develop local capacity and capability. For all approved transactions processed through the BMA Local Buying Program, BMA and BMC makes a financial contribution to the Local Buying Community Foundation.

The key areas of focus for the Foundation include:

1. **Building Sustainable Futures (BSF)** – focusing on wider business economic and community development. This includes (but not limited to) business grants (new, growth, innovation), employment, scholarships, regional promotion and awareness.
2. **Building Sustainable Business Communities (BSBC)** – focusing on local business training and development. This includes (but not limited to) industry training, regional economic analysis and education for businesses.

Governance over the Local Buying Community Foundation is provided by the **Community Foundation Advisory Committee (CFAC)**, a collaborative stakeholder committee consisting of representatives that have diverse skills, and business and economic development expertise. Membership of the committee includes local, regional and industry stakeholder representation from across the Bowen Basin.

For more information on the BMA Local Buying Program, the Local Buying Community Foundation or C-Res visit www.localbuying.com.au or www.c-res.com.au, phone 1800 536 663 or email info@localbuying.com.au