

BMA LOCAL BUYING PROGRAM

BUILDING OUR FUTURE TOGETHER

BMA Local Buying Program Annual Report

June 2014

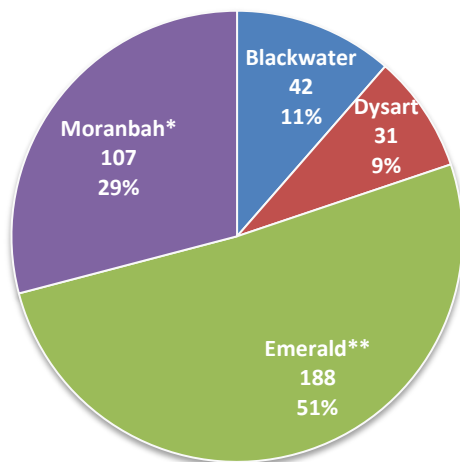
BMA's Local Buying Program is a targeted program providing opportunities for small businesses with less than 25 full-time employees to competitively supply goods and services to BMA / BMC and their many operations located throughout the Bowen Basin. The Program targets businesses registered or operating as their primary place of business in the communities of Blackwater, Capella, Dysart, Emerald, Moranbah and Nebo.

The Program began processing transactions on 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 local communities.

1. Business Registrations

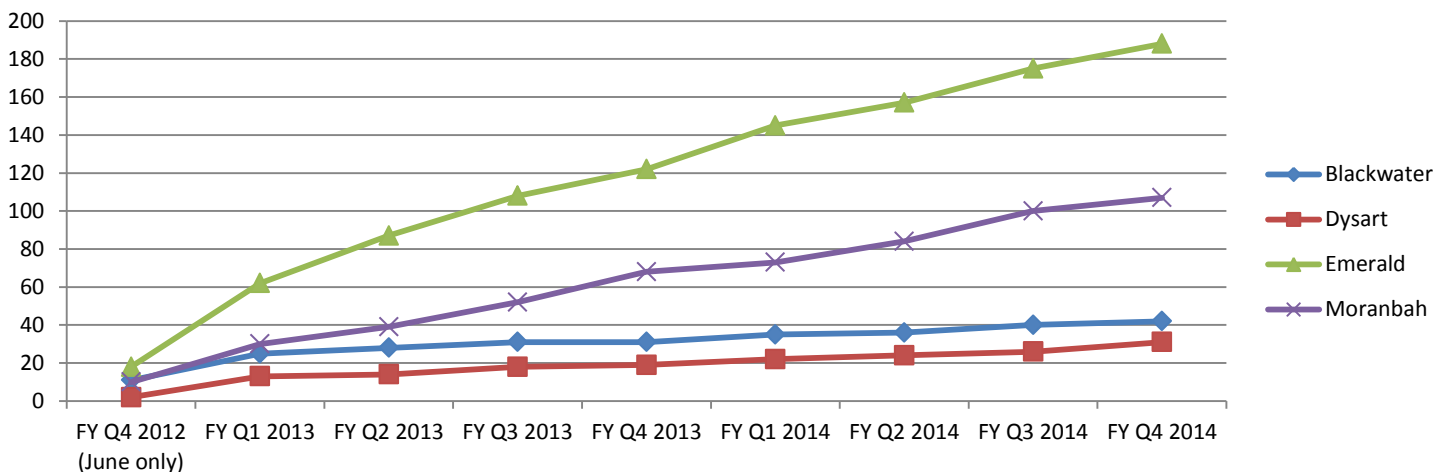
At the end of June 2014, **368 local businesses** were eligible to participate in the Program.

The graph represents the number of suppliers per community and percentage of total registrations per community.



* includes 16 businesses from Nebo
 ** includes 13 businesses from Capella

Number of approved suppliers at end of each Quarter



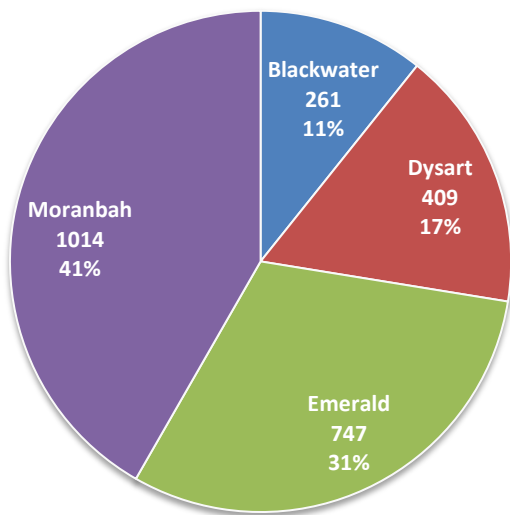
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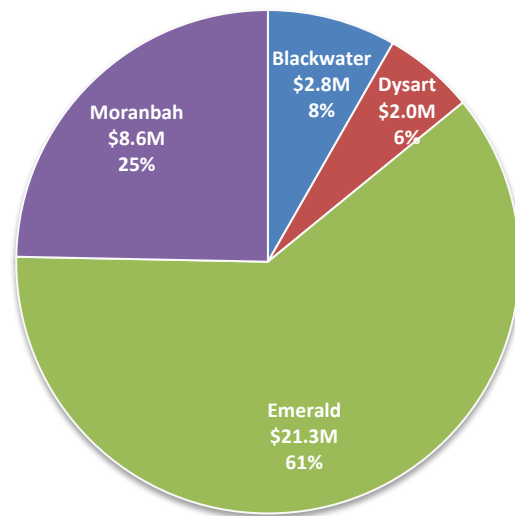
2. Work Instructions (WI) Per Community

A total of **2,932 work opportunities** have been made available to local businesses with **2,431 approved work packages** shared across the four communities.

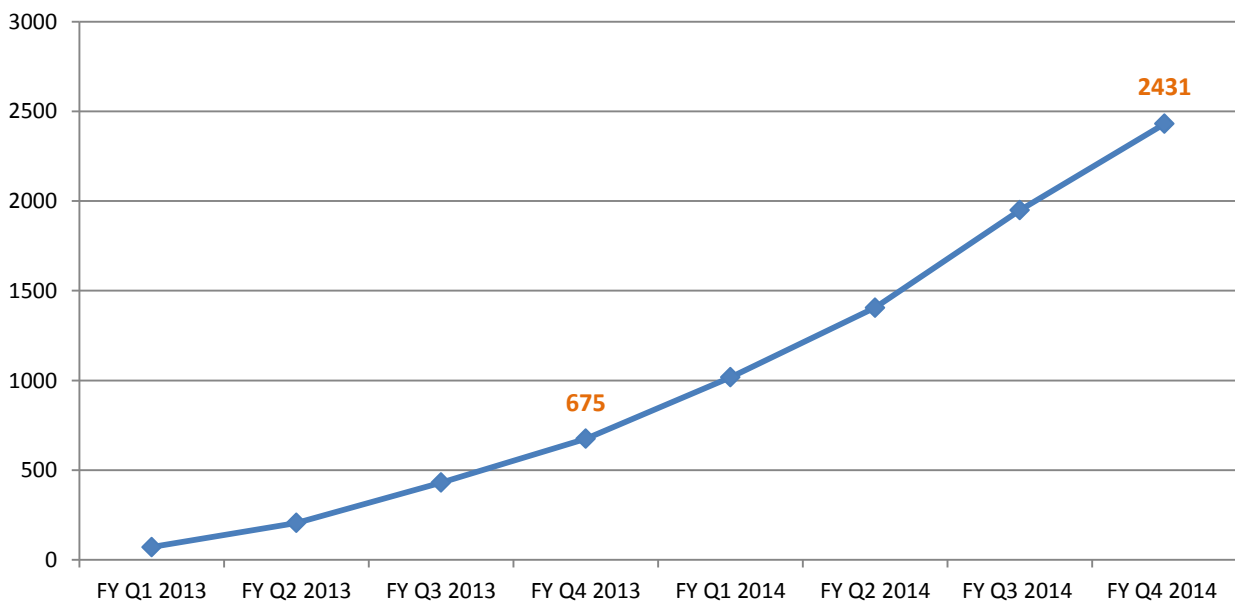
Approved WI allocation per Community
(Total = 2,431)



Total Approved Spend per Community



Number of approved Work Instructions at end of each Quarter



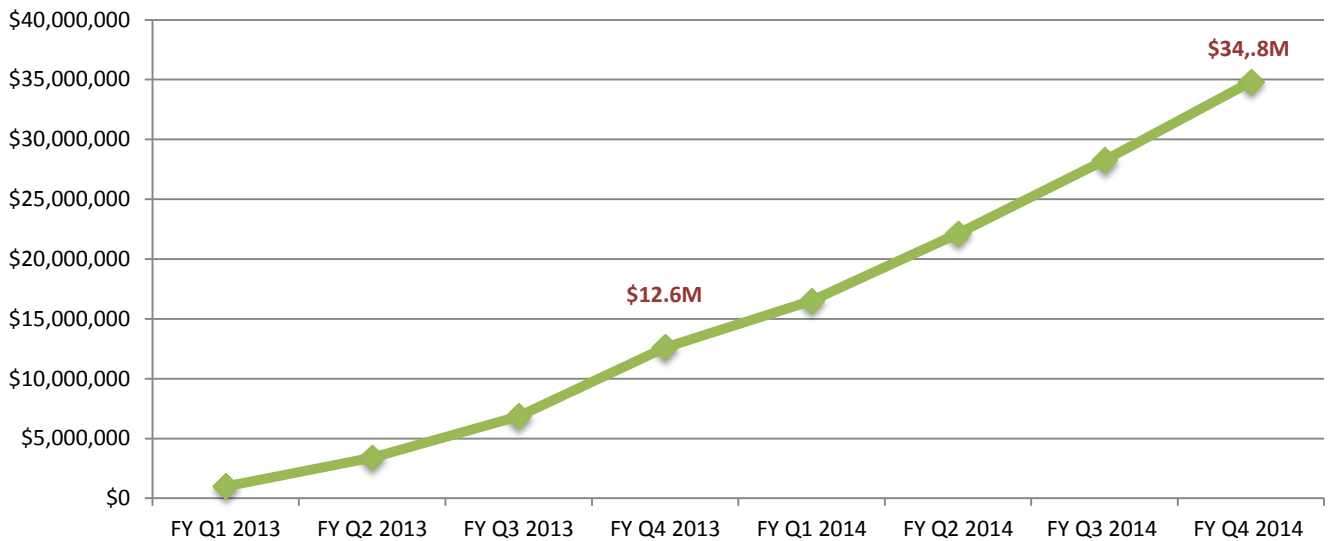
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3. Payments and Total Approved Spend

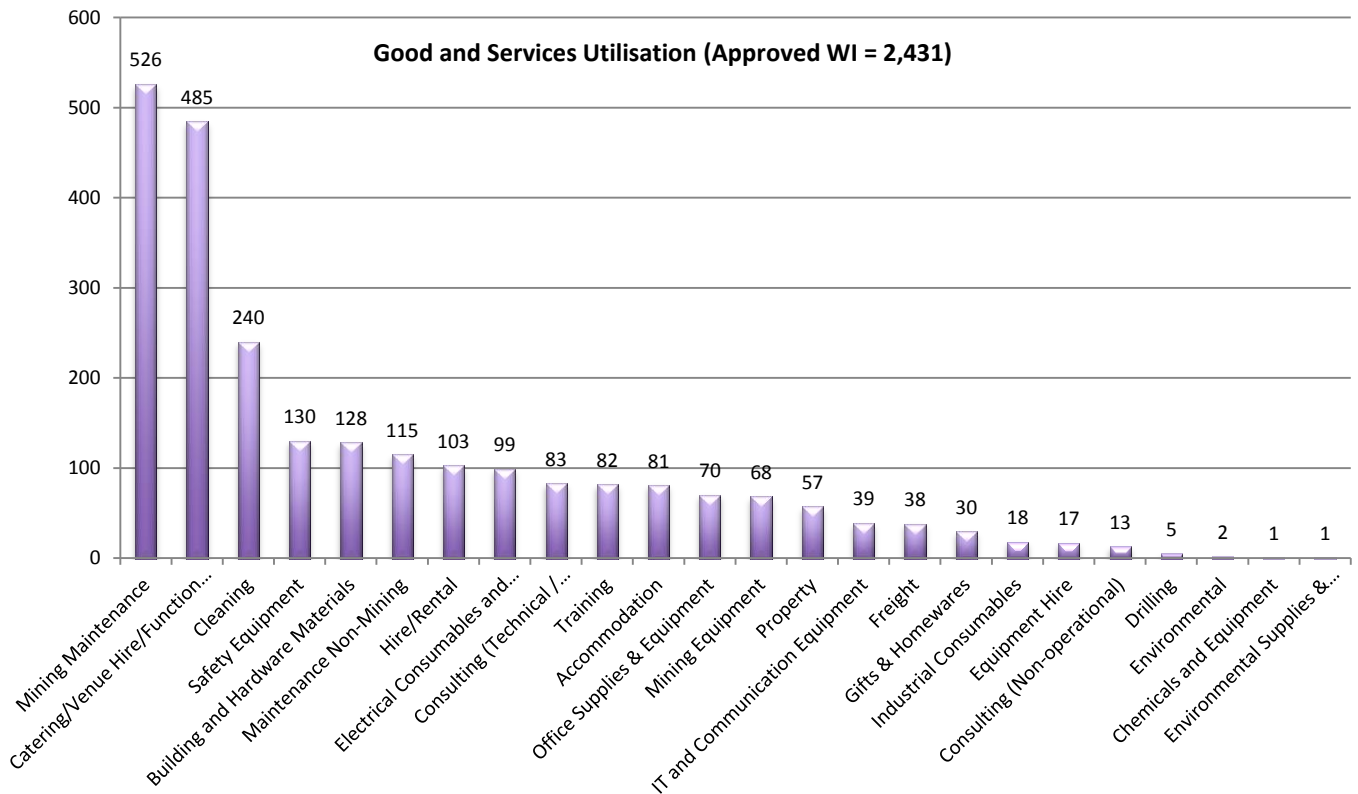
A total of **4,071 full and partial payments** have been made to suppliers over the last two years. The *average* supplier payment days were **10.8 days from supplier claim to payment**. The total approved spend (Work Instructions with a Purchase Order) was **\$34.78M**.

Cumulative Approved Spend at end of each Quarter



4. Category Utilisation – Goods and Services

The following graph represents the number of approved Work Instructions per Goods and Services categories as at June 2014.



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Key Partnership

BMA acknowledges the success of the program is due to the key partnership developed with **C-Res**. C-Res is a subsidiary of REDC and has been established to ensure the successful and transparent delivery of BMA's Local Buying Program. C-Res is responsible for coordinating the day-to-day deliverables of the Program including liaising with local suppliers and BMA/BMC users.



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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's immediate operational footprint and the broader Bowen Basin region. 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 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, business expertise and economic development. Membership of the committee includes local, regional and industry stakeholder representation from across the Bowen Basin.

As at June 2014, the BMA Local Buying Program has contributed \$452,959 into the Community Foundation Trust and \$232,112 has been distributed back into the communities in the form of business programs, events and economic development.

For more information on the BMA Local Buying Program or the Local Buying Community Foundation visit www.localbuying.com.au or phone 1800 536 663.