

LOCAL BUYING PROGRAM

BUILDING OUR FUTURE TOGETHER



C-RES
COMMUNITY RESOURCING
FOR THE FUTURE

BMA
BHP Billiton Mitsubishi Alliance

bhpbilliton

Proudly Delivering the Local Buying Program in Partnership

OUR COMMITMENT

BHP Billiton is the world's largest exporter of seaborne metallurgical coal and a global producer of export and domestic thermal coal.

Our Coal business has a proud history of economic contribution and investment in the communities and local businesses where we operate in Central Queensland and New South Wales.

In 2012, the BHP Billiton Mitsubishi Alliance (BMA) Local Buying Program was established to assist small-medium businesses in selected host communities in the Bowen Basin (Blackwater, Capella, Dysart, Emerald, Moranbah, Nebo) to competitively supply goods and services to BMA operations.

In 2013 the program was expanded to also include BHP Billiton Mitsui Coal (BMC) operations, and in 2014 to the BMA Hay Point Coal Export Terminal near Mackay.

Following early success, and in response to feedback from our vendors, the program's eligibility criteria was expanded in 2016 to encourage small-medium business owners based across the wider Bowen Basin and Mackay regions to trade with all of our BMA and BMC operations.

In 2016 the program was also expanded into New South Wales, with small-medium businesses in the Muswellbrook, Singleton and Upper Hunter shires invited to register to trade through the program with our Mt Arthur open cut coal mine.

We are confident that expanding the Local Buying Program will provide further support for new and existing business partners.

It is with great pride that we deliver an expanded Program in Queensland and New South Wales with a well-respected organisation such as C-Res (Community Resourcing for the Future). This partnership ensures that the Program continues to remain true to its values and principles and delivers genuine outcomes for the regions.



James Palmer
Asset President
BMC and NSWEC



Rag Udd
Asset President
BMA

BHP Billiton Coal Asset Overview

The BHP Billiton Mitsubishi Alliance (BMA) was formed in 2001. The two companies share equal ownership of seven operating Bowen Basin coal mines – Blackwater, Broadmeadow, Caval Ridge, Daunia, Goonyella Riverside, Peak Downs and Saraji, the non-operating Gregory Crinum and Norwich Park mines, and the Hay Point Coal Export Terminal near Mackay.

BHP Billiton Mitsui Coal (BMC) operates two open cut mines in the Bowen Basin – Poitrel and South Walker Creek.

Our New South Wales Energy Coal business features Mt Arthur open cut thermal coal mine, which is the largest individual coal production site in the Hunter Valley, the Caroona Coal Project in the Gunnedah Basin and BHP Billiton's 35 per cent shareholding in the Newcastle Coal Infrastructure Group.

BHP Billiton's Coal operations provide significant benefits to local communities and are amongst the largest employers in Central Queensland and the Muswellbrook, Singleton and Upper Hunter shires in New South Wales.

About the Local Buying Program

Often, it can be more challenging for smaller businesses to engage as a supplier with BHP Billiton, BMA or BMC. In response, BHP Billiton has committed to delivering a targeted program to make it easier for business owners to competitively bid for supply opportunities with all of BHP Billiton's coal assets.

The Local Buying Program provides opportunities for businesses with less than 25 full-time employees to competitively supply goods and services to BHP Billiton, BMA and BMC, while providing economic benefit to the Central Highlands, Isaac and Mackay regions in Queensland, and the Muswellbrook, Singleton and Upper Hunter shires in New South Wales.

In addition to providing business opportunities, the Local Buying Program, through the Local Buying Foundations (one in Queensland and one in New South Wales), delivers business and economic development programs that enhance business community capability and capacity. The Foundation aims to enhance the economic viability of the wider community and regions through programs targeting business capability and capacity building.

Partnering with C-RES

C-Res (Community Resourcing for the Future) was specifically established to independently deliver the Local Buying Program on BHP Billiton's behalf.

C-Res is a cost neutral entity and is responsible for coordinating the day-to-day deliverables of the Program including liaising with local suppliers and BHP Billiton, BMA and BMC users.



Why should local businesses get involved?

Feedback from local businesses prior to development of the Local Buying Program identified several challenges associated with engaging and supplying to BHP Billiton, BMA and BMC operations.

The Local Buying Program (LBP) addresses some of these challenges by:

- Providing greater supplier exposure to BHP Billiton, BMA and BMC operations (whichever is applicable) through the online supplier directory.
- Providing suppliers with a tool (C-Res/LBP website) to showcase and profile their business.
- Enabling suppliers with the flexibility to update their business profile as required, to ensure their details are always current.
- Shorter payment terms (21 days).
- Supplier qualification criteria specific for small business.

Who can businesses supply to?

The following BHP Billiton, BMA and BMC operations can engage suppliers through the Program:

BHP Billiton

- Brisbane Office (QLD only)
- Mt Arthur Coal (NSW only)
- Coal Supply

BMC (QLD only)

- Poitrel Mine
- South Walker Creek Mine

BMA (QLD only)

- Blackwater Mine
- Broadmeadow Mine
- Caval Ridge Mine
- Daunia Mine
- Goonyella Riverside Mine
- Gregory Crinum Mine
- Hay Point Coal Terminal
- Peak Downs Mine
- Norwich Park Mine
- Saraji Mine



Are there any costs to become a Local Buying Program supplier?

There are no costs associated with registering to become a Local Buying Program supplier.

What are the qualification criteria?

Businesses seeking to register with the Program need to meet mandatory criteria before becoming approved Local Buying Program Suppliers:

- Must employ 25 or less full-time equivalent employees (not including causals, trainees, apprentices or sub-contractors).
- Must be registered or operate (as primary place of business) in the eligible Local Buying Program areas. For Queensland, eligible areas are defined by the Central Highlands, Isaac and Mackay local government Areas. In New South Wales, the eligible areas are defined by the Muswellbrook, Singleton and Upper Hunter shires.
- Must have an ABN and be registered for GST (if legally required).
- Must provide goods or services aligned with the Local Buying Program supply categories.
- Must have the appropriate personnel, management and financial capacity to deliver goods and services to BHP Billiton, BMA and/or BMC (whichever is applicable).
- Must demonstrate alignment with BHP Billiton Charter Values and Code of Business Conduct.

Supply Categories

Below are example supply categories under the Local Buying Program. Categories are reviewed regularly to ensure the Program remains current and aligned to market needs.

The list below contains the main categories. The full list of categories and sub-categories can be viewed at www.localbuying.com.au

Goods

- Building and hardware materials
- Chemicals and equipment
- Electrical consumables and equipment
- Gifts and homewares
- Industrial consumables
- Mining equipment
- IT and communication equipment
- Office supplies and equipment
- Offsite repairs
- Renewable supplies and equipment
- Safety equipment

Services

- Accommodation
- Catering/venue hire/function co-ordination
- Cleaning
- Construction
- Environmental services
- Equipment hire
- Freight
- Hire/rental
- Maintenance services
- Mine exploration
- Professional services
- Property management
- Relocation services
- Renewable services
- Training

How are work packages communicated?

BHP Billiton/BMA/BMC users submit work packages via the C-Res/LBP website and select the preferred sourcing method.

Suppliers are notified of work activity via an automated email and asked to submit a quote.



How do I register as a Local Buying Program supplier?

Local businesses can register online by visiting www.localbuying.com.au. Applications are assessed on an individual basis in alignment with the Local Buying Program criteria. Once approved, suppliers can access and respond to work requests as they become available (through their C-Res/LBP login). It generally takes C-Res three working days to process new registrations.

1. Log on to www.localbuying.com.au
2. Click 'Local Suppliers Register Now'
3. Complete the online Supplier Registration Form and submit
4. Registration request assessed and supplier advised if successful or unsuccessful.
5. Approved supplier receives a C-Res supplier number
6. Supplier able to compete for work

What if my quote is unsuccessful?

Businesses registered with the Local Buying Program are not guaranteed work. The Local Buying Program is a competitive procurement program and suppliers are required to remain competitive to secure work.

To assist businesses to effectively supply to BHP Billiton/BMA/BMC, users will be encouraged to provide feedback on their supplier selection. C-Res where possible will assist businesses to overcome supply challenges (linking suppliers with training and development programs offered through the Local Buying Foundation) and identify trends, challenges and opportunities linked to supplying industry.



Building capacity through the Local Buying Foundation

LOCALBUYING FOUNDATION AN INITIATIVE OF THE LOCAL BUYING PROGRAM

A critical element of the Local Buying Program is the Local Buying Foundation. For all transactions processed through the Local Buying Program, BHP Billiton/BMA/BMC operations will incur a small processing fee (a percentage of the transaction value) in addition to the successful supplier quote. This fee will cover C-Res' administration costs (cost neutral entity) and includes an allocation to the Foundation, ensuring the sustainable future of the Foundation and the continuous injection of funds.

1. Building Sustainable Business Futures – targeting the development of the broader business community's capacity and capability. Focal areas include, but are not limited to: workforce development projects; economic development projects; and regional promotion and awareness.

2. Building Sustainable Business Communities – targeting the development of individual business's capacity and capability. This includes industry training, regional economic analysis and education and skills development for businesses.

To ensure funding opportunities target genuine community needs, the Local Buying Foundation Advisory Committees are established for both Queensland and New South Wales. The Advisory Committee assesses requests and applications and draws on the expertise of the committee members for the recommendation and approval of requests.

Recommendations for the Local Buying Foundation funding are aligned with the Foundations objectives and priority areas (supporting and enhancing regional economic and community development). The Advisory Committee of each Foundation is a representative body made up of key stakeholders from across the applicable regions with an interest or skills and expertise in local regional economic development and is chaired by BHP Billiton.

Contact the Local Buying Foundation on:

info@localbuyingfoundation.com.au or visit www.localbuyingfoundation.com.au

Find out more

To find out more visit www.localbuying.com.au
Phone **1800 536 663** or
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