

2015-2016 Annual Summary



About the Local Buying Program

The Local Buying Program (LBP) is a targeted program providing opportunities for small businesses, with less than 25 full-time employees, to competitively supply goods and services to BHP Billiton **Mt Arthur Coal** in New South Wales or **BMA** (BHP Billiton Mitsubishi Alliance) and **BMC** (BHP Billiton Mitsui Coal) operations in Queensland. The Program targets businesses registered or operating with a primary place of business in the local government areas surrounding these operations along the east coast of Australia.

In Queensland, the local government areas are **Central Highlands, Isaac and Mackay regions**, and in New South Wales the local government areas are **Muswellbrook, Singleton and Upper Hunter shires**.

The LBP is delivered in partnership between BHP Billiton and C-Res. C-Res is a cost neutral entity and was established to deliver the original BMA Local Buying Program and now proudly delivers the LBP for all BHP Billiton Australian Coal assets.

The LBP has been operational in Queensland since July 1 2012. The progress of the LBP can be measured by the number of businesses registering to participate, the number of work opportunities made available to businesses, and the amount of approved spend going back into BHP Billiton, BMA and BMC's host regions or shires.

Highlights 2015-2016

December 2015

Qld - Regional expansion to include all communities in Central Highlands and Isaac regions

January 2016

Qld - Request for Quote (RFQ) expansion enabling all suppliers in all eligible regions access to all BMA and BMC RFQ's

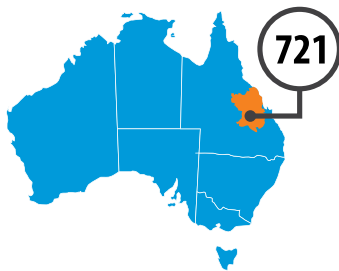
1 March 2016

NSW - LBP opened for eligible local businesses and BHP Billiton employees to register

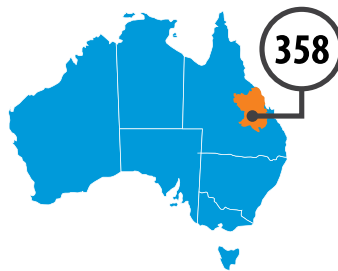
18 April 2016

NSW - LBP opened for work opportunities to be released to local businesses

Business Registrations - Highlights 2015-2016:



Qld - Total approved suppliers (8% increase)

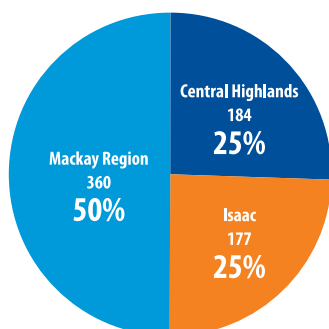


Qld - Number of suppliers receiving at least 1 approved work opportunity

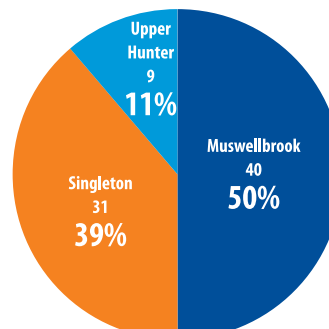


NSW - Total approved suppliers since 1 March 2016

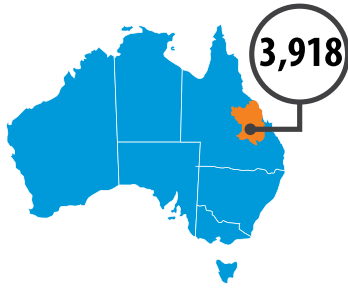
Total Qld approved suppliers as at 30 June 2016 (Total = 721)



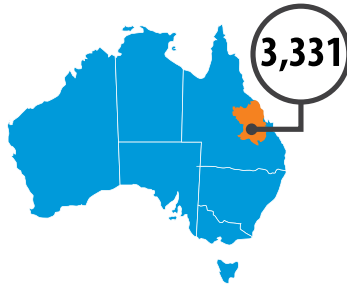
Total NSW approved suppliers as at 30 June 2016 (Total = 80)



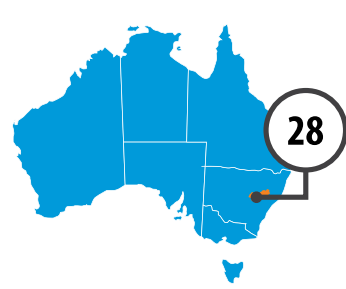
Work Opportunities (Work Instructions – WI) - Highlights 2015-2016:



Qld - Total WI's created by 431 BMA/BMC users

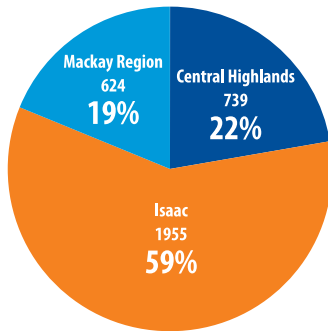


Qld - number of WI's created and approved with a purchase order (85% approved)

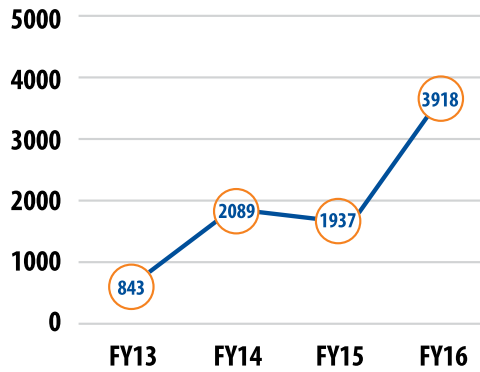


NSW - Total WI's created from 18 April 2016

Qld Approved* Work Instructions 2015-2016 as at 30 June 2016 (*WI's created and approved 2015-2016)



Work opportunities created per year FY13 to FY16 - Qld only Total = 8,787



Approved Spend (Work Instructions with Purchase Orders) - Highlights 2015-2016

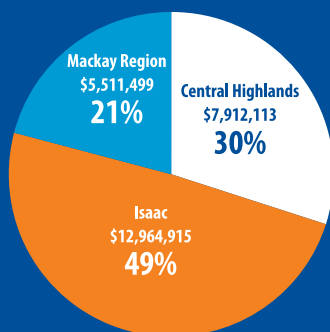
Total approved spend across Qld and NSW



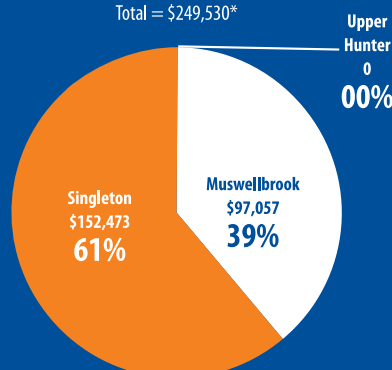
Total payments processed



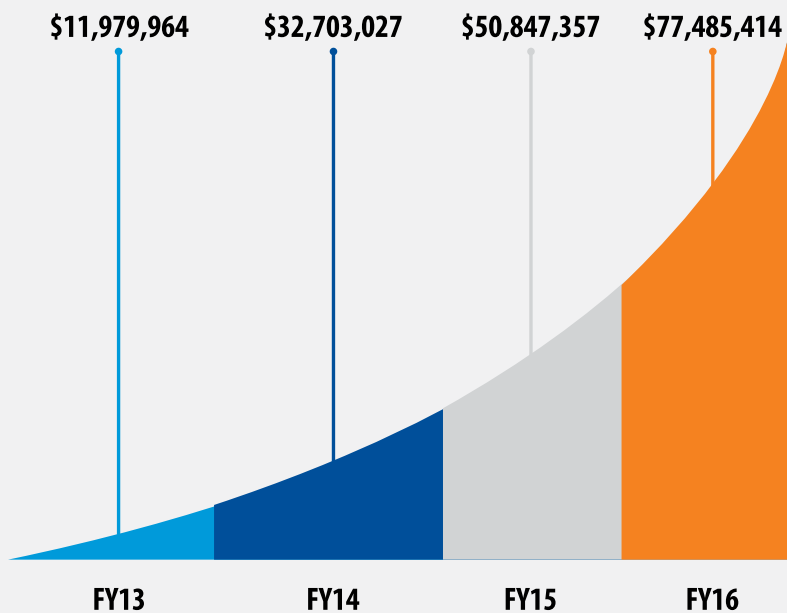
Qld Approved Spend 2015-2016 Total = \$26,388,527* (*WI's created and approved 2015-2016)



NSW Approved Spend FY16 as at 30 June 2016 Total = \$249,530*



LBP Cumulative Approved Spend 2012-2016



"It [LBP] makes it easier for us to continue to operate in a regional community,"

– **Local Business Owner**

"It [LBP] has changed business and has made it easier to get quotes as opposed to making numerous phone calls and get multiple quotes."

– **BMA Employee**

"Becoming an Approved Supplier was a simple task, as the online workspace is easy to navigate and self-explanatory – well worth the short amount of time it took to register"

– **Local Business Owner**



LOCAL BUYING FOUNDATION

AN INITIATIVE OF THE LOCAL BUYING PROGRAM

Local Buying Foundation (QLD) – BMA/BMC

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

The priority areas for the Foundation include:

- 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 businesses capacity and capability.

Governance over the LBF and decisions on funding grants is provided by an **Advisory Committee**, which is 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 Central Highlands, Isaac and Mackay regions. The Foundation is administered by C-Res.

In 2016-2017, a Local Buying Foundation will be established in NSW for BHP Billiton Mt Arthur Coal.

For more information on the Local Buying Foundation including funding guidelines and funding applications, visit www.localbuyingfoundation.com.au

LOCAL BUYING PROGRAM
BUILDING OUR FUTURE TOGETHER

Find out more

To find out more visit www.localbuying.com.au

Phone **1800 536 663** or

Email info@localbuying.com.au