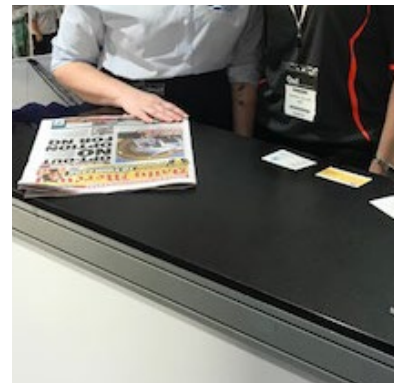


# LOCAL BUYING PROGRAM

BUILDING OUR FUTURE TOGETHER

## 2018 – 2019



## Annual Summary

# BHP

**BMA**  
BHP Mitsubishi Alliance

**C-RES**  
COMMUNITY RESOURCING  
FOR THE FUTURE

PROUDLY DELIVERING THE LOCAL BUYING PROGRAM IN PARTNERSHIP

[www.localbuying.com.au](http://www.localbuying.com.au)

# ABOUT THE LOCAL BUYING PROGRAM

The Local Buying Program (LBP) is a targeted program providing opportunities for small local businesses, with fewer than 20 full-time employees, to competitively supply goods and services to BHP, BHP Mitsubishi Alliance (BMA) and BHP Mitsui Coal (BMC).

The Local Buying Program is delivered in a strategic partnership between BHP, and C-Res – a cost neutral entity established to deliver the original BMA Local Buying Program and now proudly delivers the LBP across all BHP Minerals Australia assets.

Jointly, BHP and C-Res have successfully delivered the Local Buying Program in Queensland since 2012, and in New South Wales since 2016. In October 2017 the Program's reach was further expanded into South Australia and Western Australia. The Local Buying Program remains true to its values and principles, and continues to deliver and support regional economic development of the communities in which BHP operates.



## THE STORY SO FAR

### LBP Expands Operations Across Australia



**June 2012**



LBP commences for BMA operations in the Bowen Basin, Qld

**May 2013**



Program expands to include BMC operations in Qld

**November 2014**



Further expansion in Qld with the Program extending to Hay Point Coal Terminal and the Mackay region

**March 2016**



Interstate expansion with LBP commencing for BHP Mt Arthur Coal and Muswellbrook, Singleton and Upper Hunter Shires

**October 2017**



LBP commences in Western Australia for BHP's Iron Ore operations and in South Australia for BHP's Olympic Dam operations

**October – November 2018**



The LBP matures as a national program, winning the SA Premier's METS Sector Excellence in Working with Communities Award and achieving the \$250 million approved spend milestone

**March 2019**



The successful LBP partnership model, between C-Res and BHP, is replicated in Chile by Minerals America; and a major upgrade to the website was launched with an improved supplier/buyer interface. Previous milestones surpassed in quick succession as the LBP celebrates \$300 million and then \$350 million in approved spend.

# LBP PROGRESS MILESTONES REACHED IN 2018 – 2019

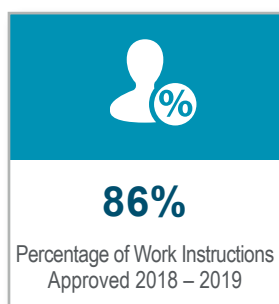
March 2019 LBP reaches remarkable milestones

|                             |               |                       |       |
|-----------------------------|---------------|-----------------------|-------|
| Approved work opportunities | 25,000        | Registered Businesses | 1,250 |
| Approved spend              | \$300,000,000 |                       |       |

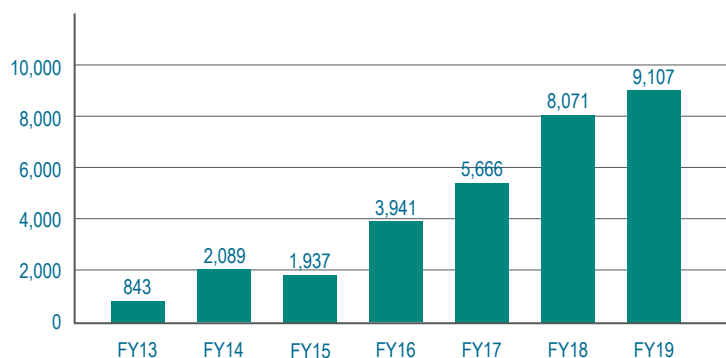
June 2019 LBP surpasses previous milestone

|                |               |
|----------------|---------------|
| Approved spend | \$350,000,000 |
|----------------|---------------|

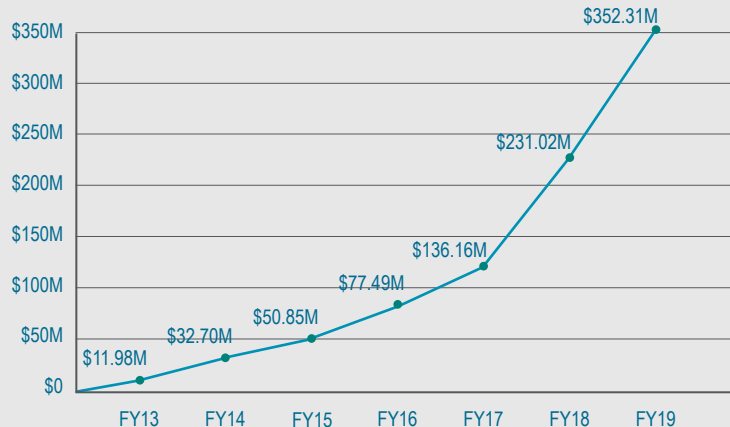
## Work Opportunities Highlights



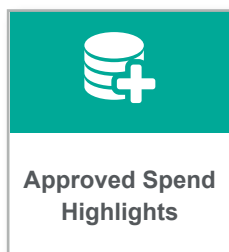
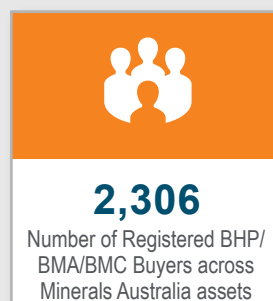
## Work Instructions Created FY13 – FY19



## LBP Cumulative Approved Spend FY13 – FY19



## Local Business Participation Highlights



## Financial Year 2018 – 2019

|                              |               |
|------------------------------|---------------|
| Approved Spend               | \$121,287,474 |
| Payments to Local Businesses | 17,593        |
| Average Payment Days         | 16            |

## Since 2012

|                              |               |
|------------------------------|---------------|
| Approved Spend               | \$352,310,329 |
| Payments to Local Businesses | 55,027        |
| Average Payment Days         | 14            |





## COMMUNITY IS THE FOUNDATION OF WHAT WE DO

### Local Buying Foundation QLD – Major funding investments

The \$1million, three year Bridging the Boundaries: Business Facilitator initiative has made significant traction for small and medium businesses in the Central Highlands and Isaac regions since launching in July 2018.

The focus of the Foundation initiative is to offer support services throughout the Central Highlands and Isaac regions to facilitate one-on-one mentoring and support, technology and innovation initiatives, coordination of training and development for small and medium enterprises, and development of networks and alliances with other organisations.

Other notable projects funded by the Foundation in Queensland, include Small Business Week 2019 activities, the Drones for Schools program, the AgFrontier program, the Economic Futures Forum, regional business and industry awards and a number of local and farther-afield conferences, lunches, breakfasts and training sessions aimed at building the capabilities of small businesses in the area.



### Local Buying Foundation NSW – Major funding investments

The Local Buying Foundation has matched the \$35,000 in Singleton Business Chamber funds to ensure the ongoing support of the Business Development Officer into 2020. This funding, which started in June 2019,

means the officer will continue to build on the momentum of the successful Building Connected Business Communities program. The program supports businesses in the Mount Arthur Coal footprint in developing the connections and skills needed to be agile, responsive and sustainable.

As well as exposing local small businesses to this brand of training, development, information and guidance, the Foundation in New South Wales has funded the provision of vital corporate governance training to those pursuing, or already in, leadership, management and board roles. The Foundation also financially supported awards in the region to recognise the excellence and innovation of small to medium enterprises.



## THERE FOR OUR BUSINESSES AND OUR COMMUNITIES

### SA

Everything we do in South Australia is about creating opportunities for BHP buyers, and local suppliers throughout the Olympic Dam BHP footprint. In partnership with industry groups and the community, we are adding value to everything we do in the Far North and Upper Spencer Gulf regions. In our regions we have supported the Roxby Down Business Forum and we participate in the annual GMUSG Trade Expo, while attending networking events functions, to hear first-hand what businesses need.

Our partnership with Global Maintenance Upper Spencer Gulf (GMUSG) enables us to cover the vastness of the region and connect with businesses in a way that delivers to them what they need. Our C-Res Business Development Advisor is also in constant conversation with our community, buyers and suppliers and to facilitate training, development and familiarisation.

Such is our commitment to those communities – and the businesses therein – that in the 2018-19 financial year, the Local Buying Program was awarded the South Australian Premier's METS Sector Excellence in Working with Communities Award.



### WA

We celebrated the first anniversary of the Local Buying Program in Western Australia in October 2018 and in true LBP style, we brought the community, our buyers and suppliers along for the celebration.

In WA we are committed to building the capacity and capabilities of the businesses in our BHP footprints; all in partnership with local organisations – including Newman Chamber of Commerce and Industry, Newman Futures (Creating Communities), Newman Stakeholder Engagement Group, Hedland Collective, Port Hedland Chamber of Commerce, Town of Port Hedland, Shire of East Pilbara and Many Rivers.

We have actively supported and sponsored business excellence awards in Newman and Port Hedland as well as the BHP Contractor Awards, and we played a role in the Welcome to Hedland Expo.

Our Business Development Advisors are all about community, hosting Drop-In Sessions and training, and working to bring small businesses in better contact with BHP buyers. We also work to secure opportunities for our Traditional Owner and Pilbara Aboriginal Businesses.

# LOCALBUYING FOUNDATION

AN INITIATIVE OF THE LOCAL BUYING PROGRAM

# LOCAL BUYING PROGRAM

BUILDING OUR FUTURE TOGETHER

# C-RES

COMMUNITY RESOURCING FOR THE FUTURE

 [info@localbuyingfoundation.com.au](mailto:info@localbuyingfoundation.com.au)

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