

# LOCAL BUYING PROGRAM

BUILDING OUR FUTURE TOGETHER

Supporting Queensland  
Through Local Buying



PROUDLY DELIVERING THE LOCAL BUYING PROGRAM IN PARTNERSHIP

# OUR COMMITMENT

BHP 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 Mitsubishi Alliance (BMA) Local Buying Program was created in partnership with C-Res to assist small-to-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 Mitsui Coal (BMC) operations, and in 2014 the BMA Hay Point Coal Terminal near Mackay.

Following early success, and in response to feedback from our vendors, the program's eligibility criteria was expanded in 2015 to encourage small-to-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.

In 2017 the program's reach was further expanded to support local businesses in the Pilbara region in Western Australia and the Upper Spencer Gulf and Far North regions in South Australia.

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



James Palmer  
Asset President  
BMA



Elsabe Muller  
Asset President  
BMC and NSWEC

## Coal Asset Overview

Queensland Coal comprises the BHP Mitsubishi Alliance (BMA) and BHP Mitsui Coal (BMC) assets in the Bowen Basin in Central Queensland, Australia. Queensland Coal has access to key infrastructure in the Bowen Basin, including a modern, multi-user rail network and its own coal-loading terminal at Hay Point, located near the city of Mackay.

BMA is Australia's largest coal producer and supplier of seaborne metallurgical coal. It is owned 50:50 by BHP and Mitsubishi Development. BMA operates seven Bowen Basin mines (Gooneylla Riverside, Broadmeadow, Daunia, Peak Downs, Saraji, Blackwater and Caval Ridge) and owns and operates the Hay Point Coal Terminal.

BMC owns and operates two open-cut metallurgical coal mines in the Bowen Basin – South Walker Creek Mine and Poitrel Mine. BMC is owned by BHP (80 per cent) and Mitsui and Co (20 per cent).

BHP's Coal Operations – both throughout Queensland and also in New South Wales – provide significant benefits to nearby local communities. They are among the largest employers in the Central Queensland region and are strong supporters of local businesses, sustainability and economic growth. Aligned with this is a commitment to facilitate the capacity and capability building of local business communities.

## Strategic Partnership of BHP and C-Res

Jointly, BHP and C-Res have created and delivered the Local Buying Program with the aim to assist small businesses to engage with BHP and support regional economic development of the communities in which BHP operates.

The Local Buying Program is delivered through a strategic partnership between BHP and C-Res, a cost-neutral entity. C-Res was first incorporated in 2012 to deliver the Local Buying Program in Queensland for BHP Mitsubishi Alliance (BMA). After the initial successes with BMA, the Program expanded in 2013 to include BHP Mitsui Coal (BMC), Hay Point Coal Terminal in 2014, and the Mackay region in 2015.

In 2016 the program entered new territory and commenced operations across the border in New South Wales at BHP's Mt Arthur Coal. Since then the Program's continuing success has seen it expand in 2017 to include Western Australia Iron Ore operations and Olympic Dam in South Australia.

This successful partnership now spans all BHP Minerals Australia core assets including the BHP Mitsubishi Alliance and BHP Mitsui Coal in Queensland, NSW Energy Coal in New South Wales, Western Australia Iron Ore (WAIO) and Olympic Dam (OD) in South Australia.

## About the Local Buying Program

The Local Buying Program has been established to support local communities by helping small businesses to engage with BHP, BMA or BMC as suppliers. This also means supporting the local economy and local employment opportunities.

The Local Buying Program, nationally, has developed into a network of more than 1,400 suppliers – and of those, a strong number of Queensland businesses (throughout the Central Highlands, Isaac and Mackay regions) are now better placed to effectively engage with BHP, BMA and BMC.

BHP's Local Buying Program provides these small local businesses with a dedicated buying platform, better payment terms and support through locally-based Business Development Advisors.

For every transaction processed through the Local Buying Program in Queensland, a financial contribution is made to the Local Buying Foundation. The Foundation aims to enhance the economic viability of the wider community in the regions through the support of programs, events and initiatives that contribute to business community capability and capacity building.



## What are the qualification criteria?

Businesses are required to meet a number of minimum mandatory qualification criteria prior to being assessed and approved as a Local Buying Program supplier by C-Res. Criteria includes:

- Must employ less than 20 full-time equivalent employees (not including casual staff, subcontractors, trainees, or apprentices)
- Must have a significant physical presence in an eligible Local Buying Program area (see website for information on eligible regions and conditions relating to significant physical presence)
- Must have an ABN and be registered for GST (if required)
- Must have appropriate insurances including Workers Compensation (if an Employer) and Public Liability (mandatory)
- Must provide goods or services aligned with the BHP Global Supply goods and services categories (see list below)
- Must have the appropriate personnel, management and financial capacity to deliver goods and services to BHP / BMA / BMC (whichever is applicable)
- Must agree to the LBP Purchase Order Terms and Conditions
- Must demonstrate alignment with BHP's Charter Values and Code of Business Conduct

## 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.

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

- Quicker payment terms (within 21 days)
- Providing more work opportunities more frequently
- Enabling suppliers to better respond to opportunities and quote for work
- Providing greater supplier exposure to BHP through the online supplier directory
- Providing suppliers with a tool (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

## How are the work packages communicated?

BHP, BMA and BMC buyers submit work packages via the C-Res/LBP website.

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

## Which categories are included?

The Local Buying Program covers a broad and diverse range of categories of goods and services. These categories are reviewed regularly to ensure the Program remains current and aligned with market needs.

The list below are some of the categories that feature in the Local Buying Program. The full list of categories and sub-categories can be viewed at [www.localbuying.com.au](http://www.localbuying.com.au).

- Trade Maintenance Services
- Engineering Consulting
- Equipment Maintenance Services
- Onsite Equipment Rebuild & Refurbishment
- Safety Consumables
- Specialised Equipment Maintenance Services
- Accommodation & Catering

Suppliers who carry out services at BHP / BMA / BMC operations will need to meet additional requirements prior to undertaking approved work, may be required to have additional mandatory insurances/policies, and need to provide procedures for the goods/services they supply.

BHP may, from time to time, exempt an identified Traditional Owner business that is 50% or more owned by a Traditional Owner as defined in an ILUA or other formal agreement to which BHP and the owner(s) are party to from the above outlined criteria.

Exemption 1: Aboriginal Traditional Owner businesses, with less than 20 full time equivalent employees, may not be required to have a significant physical presence in the eligible regions.

Exemption 2: There may be instances where a Traditional Owner or Indigenous business does not meet the standard qualification criteria or exemption 1, however BHP supports their entry to the Program, potentially on a trial period.

## 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.

## Where does the Program operate?

To register for, and then work with the Local Buying Program, suppliers must have a significant physical presence in one of the eligible regions. In Queensland the eligible regions are defined as the Central Highlands, Isaac and Mackay local government areas.

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

### BHP

- Brisbane Office
- Minerals Australia Supply

### BMC (QLD only)

- Integrated Operations
- Poitrel Mine
- Red Mountain
- South Walker Creek Mine

### BMA (QLD only)

- Blackwater Mine
- Broadmeadow Mine
- Caval Ridge Mine
- Daunia Mine
- Goonyella Riverside Mine
- Hay Point Coal Terminal
- Peak Downs Mine
- Norwich Park Mine (Care and Maintenance Team)
- Saraji Mine

Local Buying Program in Queensland for BMA and BMC Coal



# How do I register as a Local Buying Program supplier?

Local businesses can register online by visiting [www.localbuying.com.au](http://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 opportunities as they become available. It generally takes C-Res three working days to process new registrations.

1. Log on to [www.localbuying.com.au](http://www.localbuying.com.au)

2. Click 'Register Now In Your State' under the 'New Suppliers' Tab

3. Complete the workspace Supplier Registration Form and submit

4. Registration request assessed and supplier advised if successful or unsuccessful.

5. Approved supplier receives a LBP 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, BMA and BMC buyers 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.

## Will I compete for work against major suppliers?

Local Buying Program suppliers will compete for work packages against other Local Buying Program suppliers through the Program portal. Submitted quotes may be assessed against vendors.

Note, BHP operations are committed to various supply contracts and cannot use the Local Buying Program for all work requirements.

## Building capacity through the Local Buying Foundation

The Local Buying Foundation is a critical element of the Local Buying Program in Queensland. For all approved transactions processed through the Local Buying Program, BHP / BMA / BMC (as appropriate) make a financial contribution to the Foundation.

The primary objective of the Local Buying Foundation in Queensland, is to support and deliver economic and local/regional business programs which build capacity. The Foundation's objectives and priority areas are reviewed to ensure they remain relevant to the economic environment and aligned with changing business community needs.

To ensure that Queensland Local Buying Foundation funding opportunities target genuine community needs, a Local Buying Foundation Advisory Committee (LBFAC) has been established for each foundation. The LBFAC is a representative body made up of key stakeholders from across the region with an interest or skills and expertise in regional economic development.

The primary role of the LBFAC is to provide guidance and market/environment intelligence to inform, identify and support and the investment and disbursement of the Foundation's funds and to oversee effective governance of the Foundation. The LBFAC will ensure that approved projects, programs, and initiatives align with the Foundation's objectives, meet specified criteria and have the appropriate due diligence (supporting and enhancing regional economic and community development). The LBFAC is a representative body made up of key stakeholders from across the region with an interest or skills and expertise in regional economic development.

Contact the Local Buying Foundation on: [info@localbuyingfoundation.com.au](mailto:info@localbuyingfoundation.com.au) or visit [www.localbuyingfoundation.com.au](http://www.localbuyingfoundation.com.au)

**LOCALBUYING  
FOUNDATION**  
AN INITIATIVE OF THE LOCAL BUYING PROGRAM



**LOCAL BUYING PROGRAM**  
BUILDING OUR FUTURE TOGETHER

**BHP**

**BMA**  
BHP Mitsubishi Alliance

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

PROUDLY DELIVERING THE LOCAL BUYING PROGRAM IN PARTNERSHIP

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