

# LOCAL BUYING PROGRAM

BUILDING OUR FUTURE TOGETHER



*Connecting Australia's biggest business  
with our regions' smallest businesses*

## ANNUAL SUMMARY 2019 – 2020



PROUDLY DELIVERING THE LOCAL BUYING PROGRAM IN PARTNERSHIP



## ABOUT THE LOCAL BUYING PROGRAM

Welcome to our Journey!

It all started eight years ago. BMA in the Central Highlands and Isaac regions, and small local business, C-Res, partnered up to develop what was to become the Local Buying Program (LBP). Now, when we say C-Res was a small local business, we mean small! The business, which operated under parent company, Mackay Isaac Whitsunday REDC, started with two people located in Mackay and the Bowen Basin (one of whom was now-CEO, Tracey Cuttriss-Smith), a big dream and infinite possibilities.

Fast forward from then, 2012, to now, and the partnership between BMA (and now BMC and BHP Minerals Australia) and this small, regionally based, profit-neutral social enterprise (which, by the way now has 32 staff, a presence in four states and which led a project to replicate the LBP in Chile for Minerals America), is stronger than ever! The LBP is now a wholly owned subsidiary of Greater Whitsunday Alliance (GW3), delivered in BHP operational footprints in Queensland, New South Wales, Western Australia and South Australia.

As the curtain was falling on a busy and, well, let's say interesting FY20, C-Res signed another three-year contract (with the option of five another two years) with BHP Minerals Australia, BMC and BMA. It came as the Program passed a massive milestone of \$500M approved for spending with local suppliers, nationally. The contract – and this incredible milestone - not only shows how much BHP values the program, it shores up millions of dollars in opportunities. That affects the small local businesses with a fulltime equivalent staffing of less than 20 people or fewer in each of our regions.

As at close of business on June 30 2020, we had more than 1,400 registered suppliers, almost 1,300 active BHP buyers and hundreds of businesses and community stakeholders. It's in considering those stakeholders, and the millions of dollars distributed across our communities, that we celebrate the jewel in our crown: The Local Buying Foundation.

The Foundation (LBF) has been operating in Queensland since 2012, in New South Wales since 2017, and is about to launch in Western Australia, with a South Australian launch expected by the end of 2020. Funded by, and operating in tandem with, the LBP, the LBF works to facilitate the capacity and capability building of businesses in the regional areas within the LBP footprint.

During the past eight years, The Local Buying Program has remained true to its values and principles, while continuing to support regional sustainability and the economic development of communities in which BHP and the LBP operates. C-Res, BHP, our buyers, suppliers and communities have all been on this journey together!

And now, here is the latest chapter in our story...





Scan this QR Code  
to watch our FY20  
Year in Review video

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Scan this QR Code  
to check out our website  
and learn more!



## A MESSAGE FROM **C-RES & BHP**

### **\$500 MILLION.**

It's a big number and reason to celebrate. The 2019 - 2020 financial year has been a memorable one; not the least for reaching an incredible milestone of \$500M approved spend with local small business suppliers across our New South Wales, Queensland, South Australia and Western Australia BHP and LBP footprints.

This is no small achievement – from launching in 2012 supporting only our BMA operations in the Bowen Basin, we have gone from strength to strength and now proudly work with more than 1,450 local community suppliers – it is incredible what can happen as a result of working together!

This year, the LBP has travelled the country, coast to coast and end to end, to each of our operational footprints to connect buyers, suppliers and stakeholders, bringing them together through our inaugural 'Meet the Buyer' networking events. These have been fundamental to building our partnership and helping to uncover and nurture the opportunities which exist through the program.

Through a steep trajectory of growth and some incredible community and economic challenges, we have continued to uphold our values and ways of doing business, including throughout the COVID-19 pandemic. BHP and C-Res have worked together to identify and mitigate against the risks so that the program could keep supporting local businesses – which in turn, keeps jobs and families in regional communities.

The Local Buying Foundation set up the B.I.G. Futures Fund which enables business, industry and economic organisations throughout our footprint to help support their business members. BHP also launched its Vital Resources Fund to support community organisations when they need it most, and C-Res jumped at the chance to administer a smooth and prompt payment process that enabled recipients to receive their contributions within seven days.

As with all businesses, we're learning a lot from the COVID-19 outbreak and the lockdowns, physical distancing and displacement and are now working to what we deem a 'new normal'. So with a nod to the financial year that was - and the incredible achievements, milestones and growth which defined it - and a cautious optimism around what FY21 will bring, we say thanks to all who have shared in the growth, the challenges, the journey! We do what we do because we know the Local Buying Program and the Local Buying Foundation makes a real difference to businesses, communities and lives. We really are connecting Australia's biggest business with our regions' smallest.

That is something special.

**Tracey Cuttriss-Smith, CEO C-Res | Sundeep Singh, Group Procurement Officer BHP**

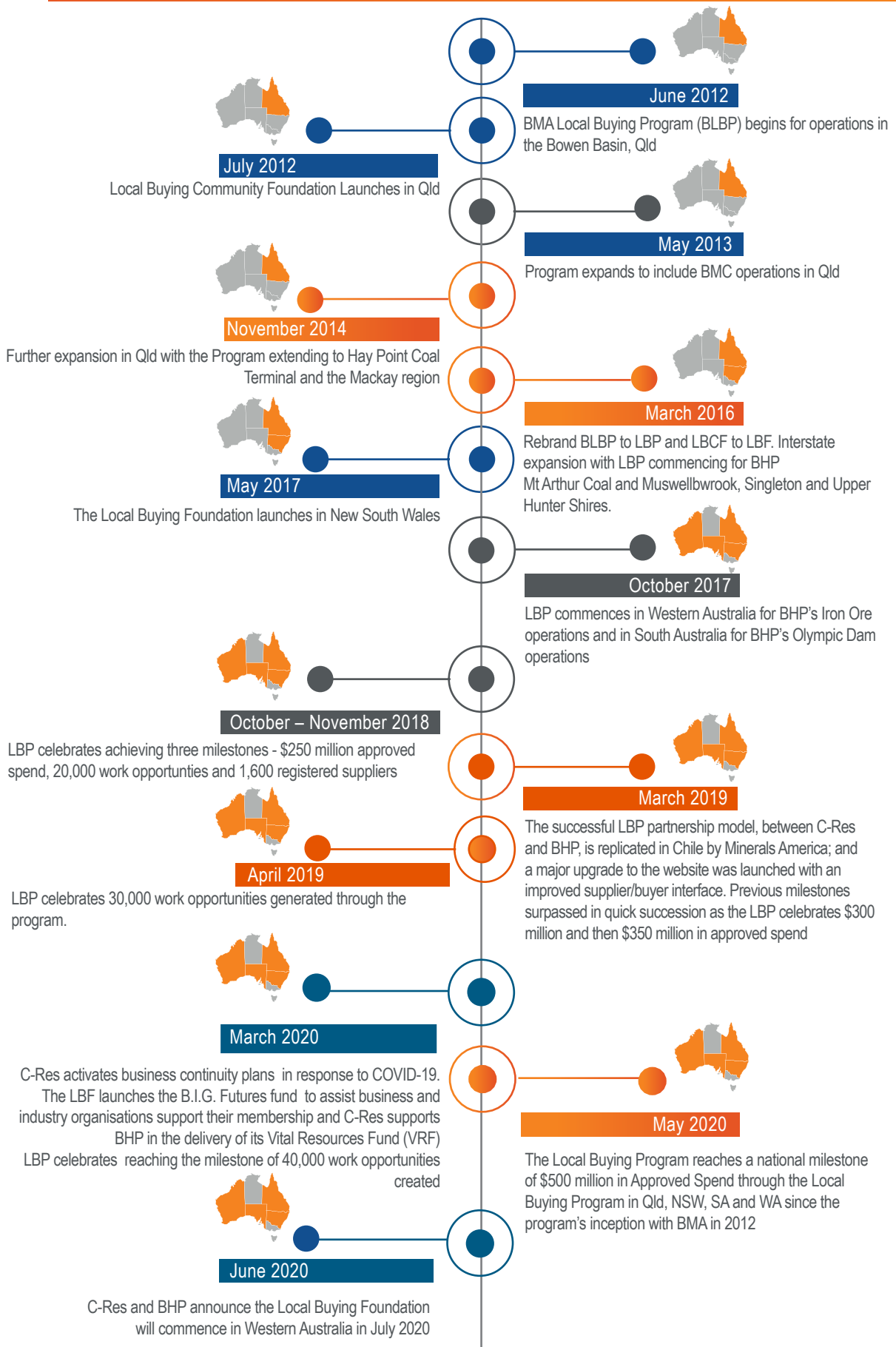






Scan this QR Code  
to read the whole LBP  
Story on our website

## THE STORY SO FAR



# LBP PROGRESS AND HIGHLIGHTS

## Financial Year 2019 – 2020



**\$176,682,047**

Approved Spend



**24,846**

Payments to local businesses



**18 days**

Average payment period from receipt of invoice

## Since 2012



**\$528,992,376**

Approved Spend



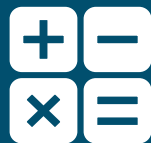
**79,873**

Payments to local businesses



**15 days**

Average payment period from receipt of invoice



### WORK OPPORTUNITIES

**11,951**

Work Instructions created in 2019 – 2020

### WORK OPPORTUNITIES

**85%** Percentage of Work Instructions approved 2019 – 2020



### LOCAL BUSINESS PARTICIPATION

**1,298** Active BHP/BMA/BMC Buyers across Minerals Australia assets

### LOCAL BUSINESS PARTICIPATION

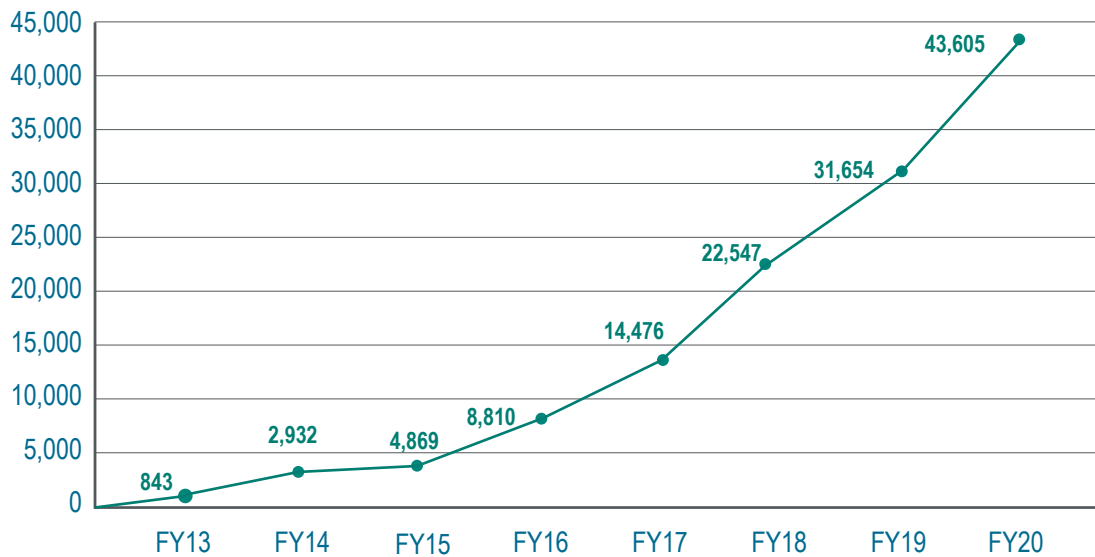
**1,408** Approved Suppliers across Australia



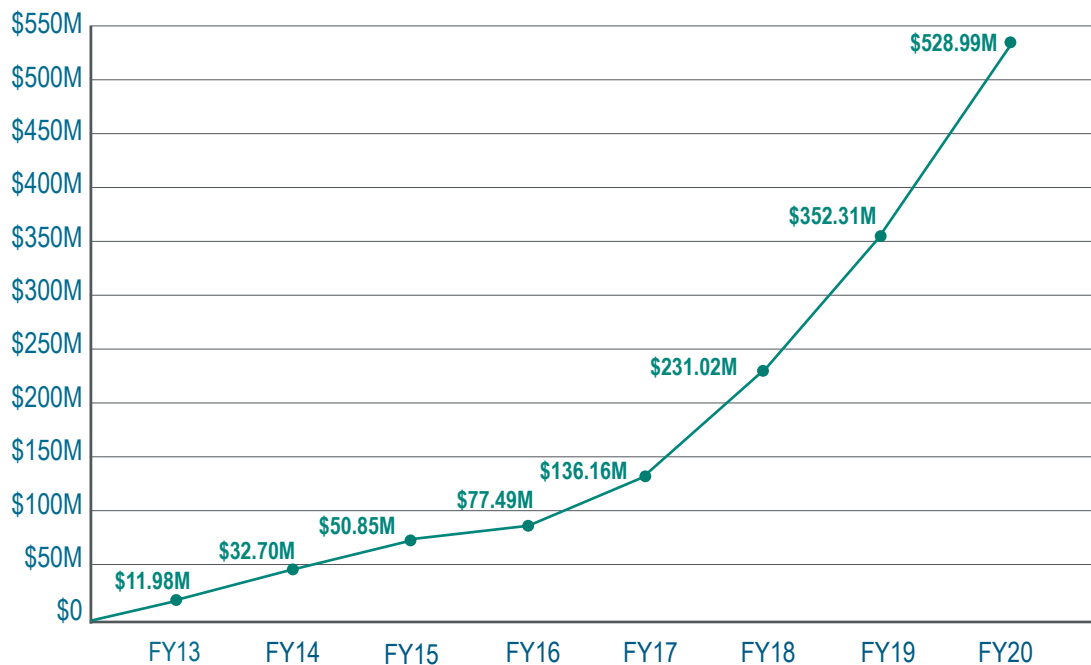


# LBP CUMULATIVE DATA 2012 – 2020

## Work Instructions Created



## Approved Spend





*“BHP Mt Arthur Coal Contracts Co-ordinator Craig Sullivan and his team have been first class to deal with. They are straight forward, fair dinkum and helpful in all of their discussions and co-ordinations with them. That’s what we like, so it allows us the ability to get the job done and do what we say we will do.”*

**Cory Robertson | Supplier, New South Wales**

## ABOUT THE LOCAL BUYING PROGRAM IN **NEW SOUTH WALES**

The Local Buying Program (LBP) was established in New South Wales in March 2016 to provide opportunities for small businesses in the Muswellbrook, Singleton and Upper Hunter Shires to engage with BHP’s Mt Arthur Coal (MAC).

Recognising that it can often be challenging for smaller businesses to engage as a supplier of BHP, the LBP makes it simpler and easier for these businesses to competitively bid for supply opportunities that are released by Mt Arthur Coal.

### Program Highlights Since Inception



**15 days**

Average payment period  
from receipt of invoice



**\$36,073,750**

Total Approved spend



**1,816**

Approved Work Opportunities





Watch the NSW LBP  
Year in Review video

# NEW SOUTH WALES ANNUAL SUMMARY 2019 – 2020

Region	Approved Spend		Local Business Participation		Approved Work Opportunities	
Muswellbrook Shire	\$13,471,481	75%	53	44%	542	79%
Singleton Shire	\$4,125,804	23%	49	40%	136	20%
Upper Hunter Shire	\$420,700	2%	19	16%	9	1%

**\$18,017,985**  
Total Approved Spend

**121**  
Total number of  
Approved Suppliers

**687**  
Total Approved  
Work Opportunities

**92%**  
Approval rate for Work  
Opportunities created

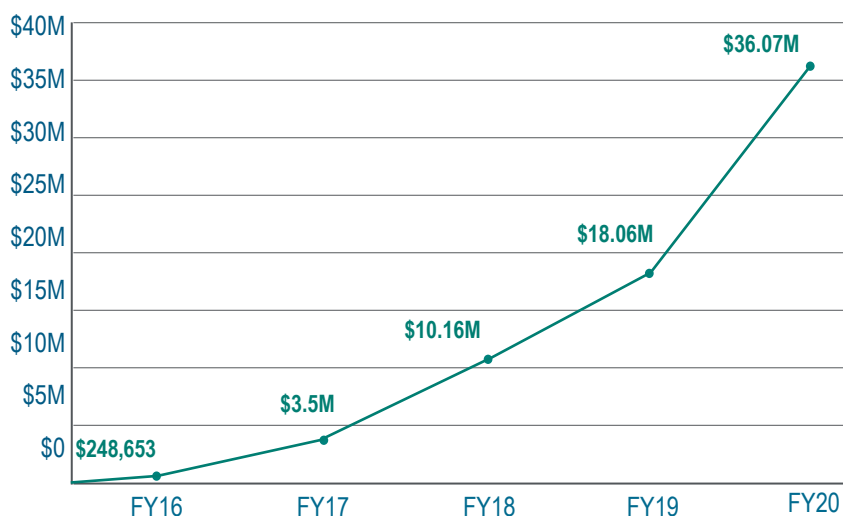
**16**  
Days average payment  
period from receipt of invoice

**92**  
BHP Buyers creating Work  
Opportunities

*“The Local Buying Program enables BHP Mt Arthur Coal to give something back to the community while supporting local businesses.”*

**BHP Buyer | Mt Arthur Coal**

## Cumulative Approved Spend 2016 – 2020





*“By conducting those preventative tests early, measures can be taken into planning to ensure a safe and cost-effective plan forward for use of machinery, keeping people and assets safe.”*

**Lani Wells | Supplier, Queensland**

## ABOUT THE LOCAL BUYING PROGRAM IN QUEENSLAND

In 2012 the Local Buying Program (LBP) was established in Queensland to support small businesses in the Central Highlands, Isaac and Mackay local government areas in their engagements with BHP Mitsubishi Alliance (BMA) and BHP Mitsui Coal (BMC).

Recognising the challenges experienced by smaller businesses to engage as a supplier of BHP, the LBP makes it simpler and easier for these businesses to competitively bid for supply opportunities that are released by BMA and BMC operations.

### Program Highlights Since Inception



**15**

Days average payment period  
from receipt of invoice



**\$443,098,361**

Total Approved Spend



**32,740**

Approved Work Opportunities

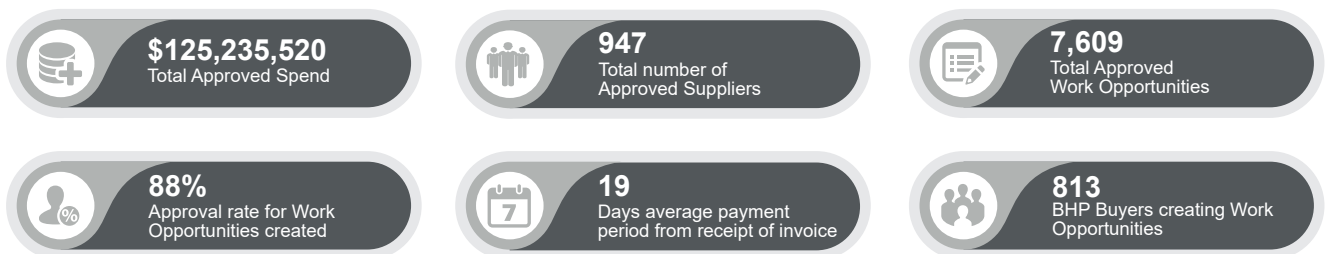




Watch the QLD LBP  
Year in Review video

# QUEENSLAND ANNUAL SUMMARY 2019 – 2020

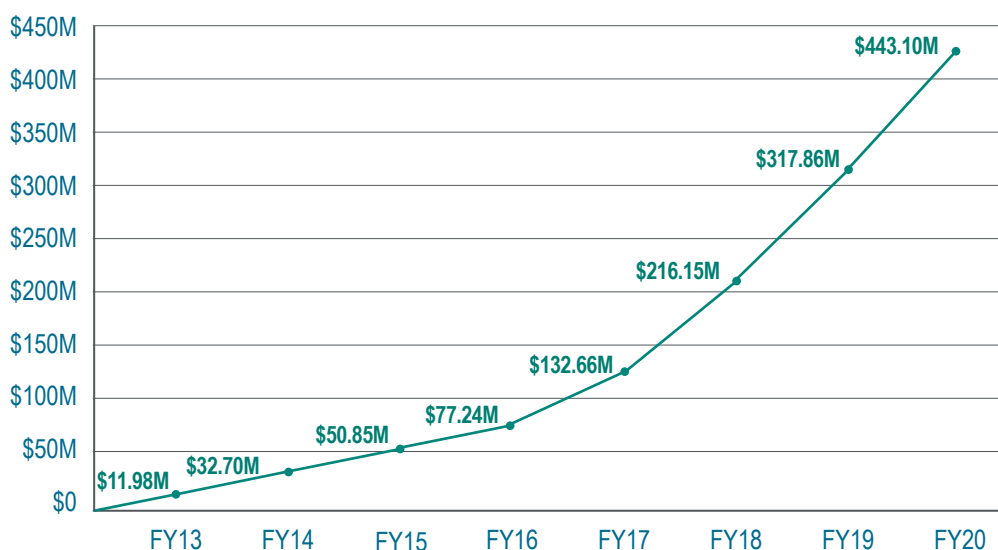
Region	Approved Spend		Local Business Participation		Approved Work Opportunities	
Central Highlands	\$17,950,933	14%	187	20%	931	12%
Isaac	\$31,437,132	25%	200	21%	3,422	45%
Mackay	\$74,862,229	60%	554	58%	3,235	42%
Out of Region (Traditional Owner Exemption)	\$985,226	<1%	6	<1%	21	<1%



*“The Local Buying Program suppliers helped make our NAIDOC event a very special one”.*

**BHP Buyer | NAIDOC event organiser, BMA Hay Point Coal Terminal**

## Cumulative Approved Spend 2012 – 2020





*“The Local Buying Program has enabled us to introduce new technology to meet the needs around manufactured consumable parts.”*

**Nathan Sellar | Supplier, South Australia**

## ABOUT THE LOCAL BUYING PROGRAM IN SOUTH AUSTRALIA

The Local Buying Program (LBP) was established in South Australia in October 2017 to provide opportunities for small businesses in the eligible areas within the Upper Spencer Gulf and Far North regions of South Australia to engage with BHP.

Recognising that it can often be challenging for smaller businesses to engage as a supplier of BHP, the LBP makes it simpler and easier for these businesses to competitively bid for supply opportunities released by BHP’s Olympic Dam operations.

### Program Highlights Since Inception



**11**

Days average payment period  
from receipt of invoice



**\$6,786,167**

Total Approved spend



**633**

Approved Work Opportunities







Watch the SA LBP  
Year in Review video

# SOUTH AUSTRALIA ANNUAL SUMMARY 2019 – 2020


Region	Approved Spend		Local Business Participation		Approved Work Opportunities	
District of Mount Remarkable	\$6,651	<1%	1	<1%	1	<1%
Outback Communities Authority	\$3,744	<1%	1	<1%	4	<1%
Port Augusta City Council Region	\$301,080	8%	15	16%	7	2%
Port Pirie Council Region	\$17,940	<1%	8	9%	2	<1%
Roxby Downs Council Region	\$3,063,665	88%	48	53%	286	93%
Whyalla City Council Region	\$34,996	1%	18	20%	7	2%


 **\$3,428,076**  
Total Approved Spend

 **91**  
Total number of Approved Suppliers

 **307**  
Total Approved Work Opportunities

 **80%**  
Approval rate for Work Opportunities created

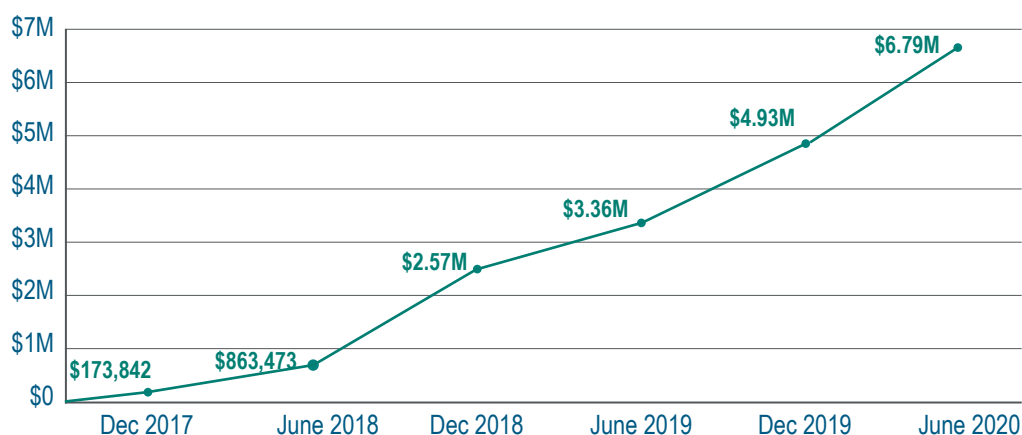
 **10**  
Days average payment period from receipt of invoice

 **90**  
BHP Buyers creating Work Opportunities

*“The Local Buying Program helped us find a supplier with key experience and site knowledge to produce compliant printing and signage needs at Olympic Dam.”*

**BHP Buyer | Operational Services, Olympic Dam**

## Cumulative Approved Spend 2017 – 2020





*"If you own a small business and you are not yet part of the Local Buying Program, then do yourself a favour and sign up. I am so grateful for the opportunity not just to fill in hours during the day but to do something that is really appreciated."*

**Mel Hatwell | Supplier, Western Australia**

## ABOUT THE LOCAL BUYING PROGRAM IN WESTERN AUSTRALIA

The Local Buying Program (LBP) was established in Western Australia in October 2017 to provide opportunities for small businesses in the eligible areas within the Pilbara region to engage with BHP.

Recognising that it can often be challenging for smaller businesses to engage as a supplier of BHP, the LBP makes it simpler and easier for these businesses to competitively bid for supply opportunities that are released by BHP's Western Australia Iron Ore operations.

### Program Highlights Since Inception



**14**

Days average payment period  
from receipt of invoice



**\$43,034,097**

Total Approved Spend



**2,181**

Approved Work Opportunities







Watch the WA LBP  
Year in Review video

# WESTERN AUSTRALIA ANNUAL SUMMARY 2019 – 2020

Region	Approved Spend		Local Business Participation		Approved Work Opportunities	
Out of Region (Traditional Owner Exemption)	\$6,691,508	22%	18	7%	73	5%
Shire of Ashburton	\$99,268	<1%	7	3%	1	<1%
Shire of East Pilbara	\$12,159,136	40%	71	29%	688	44%
Town of Port Hedland	\$11,050,553	37%	153	61%	847	50%


 **\$30,000,466**  
Total Approved Spend

 **249**  
Total number of  
Approved Suppliers

 **1,609**  
Total Approved  
Work Opportunities

 **76%**  
Approval rate for Work  
Opportunities created

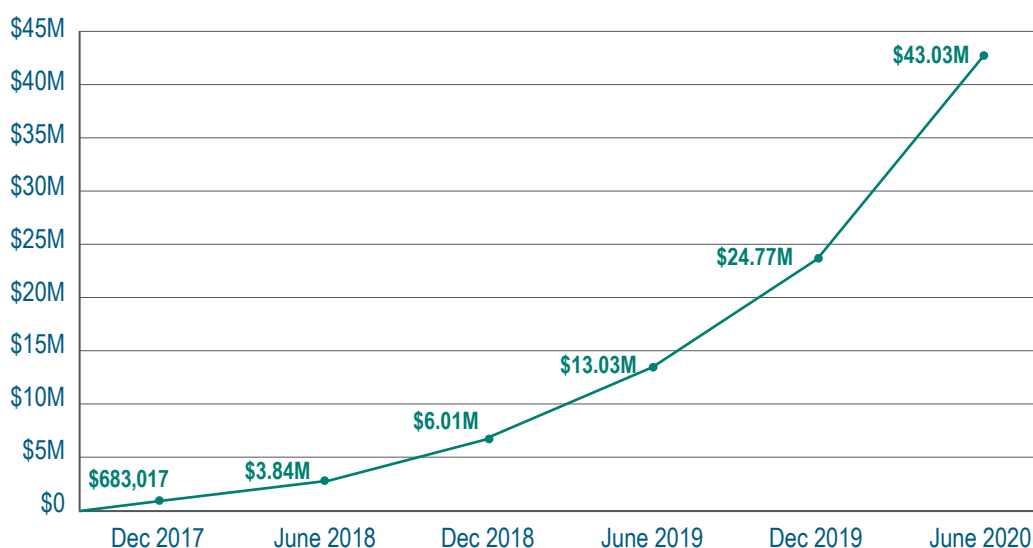
 **14**  
Days average payment  
period from receipt of invoice

 **349**  
BHP Buyers creating Work  
Opportunities

*"The ease with which we could engage with local suppliers was a highlight of using the Local Buying Program".*

**BHP Buyer | BHP South Flank Project, WAIO Rail Renewals Team**

## Cumulative Approved Spend 2017 – 2020





# ENGAGING WITH THE COMMUNITIES IN OUR OPERATIONAL FOOTPRINTS



Read the Local  
Buying Foundation  
Annual Report

## FOR REGIONAL BUSINESS

### CAPACITY AND CAPABILITY BUILDING

- B.I.G. Futures Fund launched in Qld and NSW to help business and industry bodies support their members
- Meet the Buyer and business development events.



## FOR REGIONAL WOMEN

### EMPOWERMENT AND EQUITY

- Partnerships with International Women's Day activities across our four operational LBP and BHP footprints in Qld, NSW, SA and WA





Watch the Local  
Buying Foundation  
Year in Review video

## IN THE COMMUNITY 2019 – 2020

# Regional communities benefit from partnerships and funding

In delivering the Local Buying Program across our national BHP / BMA / BMC asset footprints - in New South Wales, Queensland, South Australia and Western Australia, C-Res actively supports and promotes business initiatives which focus on building business capacity and capabilities.

In New South Wales and Queensland, this is largely undertaken by the Local Buying Foundation (LBF).

In South Australia and Western Australia, while there are exciting plans afoot to introduce the LBF into these states, the LBP takes a leading role in partnering with key business and industry groups to lend its profile, business strength and funding to events, activities and initiatives.

FY20 has been a big year for C-Res and BHP, the LBP and LBF with millions of dollars worth of funding, partnerships and sponsorship contributed to communities across the four state footprints.

That contribution - especially funding - has been reviewed and, now, reset into the following funding categories:

- Business and Industry Innovation
- Developing the Workplace of the Future
- Industry Promotion, Economic Development
- Indigenous Economic Development
- Sponsorship of Business Awards, Conferences and Events
- Microbusiness and SME Capacity Building.

COVID-19 presented a number of challenges for communities and their businesses, but, with it also came many opportunities - and the innovations, work-arounds and degrees of lateral thinking was inspiring. Our B.I.G. Funding round was offered through the LBF to assist business, economic and industry groups to support their SME membership through the challenging time.

The LBP also worked to ensure every possible opportunity for work from BHP was communicated and made available to our small business suppliers.

So how big was our year for the communities in which we operate? Read on!

### FOR OUR FUTURE

#### GROWTH AND SUSTAINABILITY

- Funding to programs such as Drones for Schools, training kitchens, business awards and economic development workshops
- Business Awards sponsorship



### FOR MENTAL HEALTH

#### UNDERSTANDING AND EMPATHY

- Sponsorship of and participation in R U OK Day in each LBP/LBF footprint
- Business mental wellness events nationwide
- 1:1 business support through COVID-19







## NSW

### LBF IN FY20

\$76,858 FY20 to fund:

- Building Connected Business Communities, Masterclass series, and Business Awards,
- Trade Shows, Regional Office 365 training, Singleton Community Training Kitchen, tourism website, visitor guide



## New South Wales LBF committed to community

Since 2017, the Local Buying Foundation has been operating alongside the Local Buying Program in the New South Wales regions of Muswellbrook, Singleton and Upper Hunter shires.

In that time, 16 projects have been funded to the tune of \$178,858 and businesses and community groups have had the opportunity to gain vital funding for projects, events, and strategic activities - such as funding for the Singleton Business Chamber Business Development Officer.

This year, the focus was also on business resilience in light of COVID-19 impacts and at every opportunity we are working with our community partners to build local business capacity.

Scan this QR Code for the LBF  
Annual Summary



## Queensland LBF means business for communities

Established in Queensland in 2012, The Local Buying Foundation has become a pillar of the business - and broader - communities in which the Local Buying Program operates.

It's this foundation, that shores the sustainability and capability of businesses operating throughout the Mackay, Isaac and Central Highlands regions.

This year alone, the foundation has allocated \$818,760 in funding to 26 projects across its Queensland reaches.

That contributes to \$3,410,657 in funding being distributed to 131 projects throughout our Queensland regions since the Foundation's inception.



Scan this QR Code for past  
editions of the LBF Annual  
Summary

## QLD

### LBF IN FY20

\$818,760 in FY20 to fund:

- Podcasts, websites and strategic plans
- Tourism forums, events, and virtual coaching and training
- Start Up activations
- Community partnerships with industry and business groups





Scan this QR Code  
for past editions of the Qld  
LBF Year in Review Video

## IN THE COMMUNITY 2019 – 2020

# Community at the heart of Local Buying Program in SA

We know that a critical part of doing business in a region such as Roxby Downs and the Far Northern / Upper Spencer Gulf regions is making a commitment to supporting and partnering with the community.

This is why The Local Buying Program has worked hard - with BHP and partners such as Global Maintenance Upper Spencer Gulf (GMUSG), and Roxby Business

Forum - to seek out and then meet the needs of the business and broader community.

We are all about doing all we can - be it through funding, shared knowledge or making connections - to build the capacity and capability of the businesses in our South Australian regional footprints.

And now, to an exciting FY21!



# Local Buying Program puts community first in WA

Throughout FY20, The Local Buying Program in Western Australia placed an acute focus on delivering to our communities a high level of support and connection.

Whether it be in the indigenous business space, or working with BHP WAIO to deliver creative and innovative solutions in the face of COVID-19 challenges, the Program has been at the forefront of making good things happen through key

strategic partnerships.

Such has been the excitement around this, that the latter parts of the past financial year has been dedicated to preparations for the launch of the Local Buying Foundation in our Western Australian footprint. Exciting times ahead!

Watch this space!



SA

### LBP in FY20

- Meet the Buyer event at Olympic Dam
- 1:1 Training for suppliers and buyers
- Sponsorship of business awards and other industry and business events
- GMUSG Trade Expo and Conference
- Roxby Business Forum representation



WA

### LBP in FY20

- Meet the Buyer events in Newman and Port Hedland, with 1:1 LBP training and site visits at WAIO sites throughout the Pilbara
- Partnership and sponsorship of business awards, event and capability-building activities
- Key partnerships with PH and Newman chambers







# LOCAL BUYING PROGRAM

BUILDING OUR FUTURE TOGETHER



Scan this QR Code  
to see our \$500M approved local  
spend milestone video



1800 536 663

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

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PROUDLY DELIVERING THE LOCAL BUYING PROGRAM IN PARTNERSHIP