

BHP

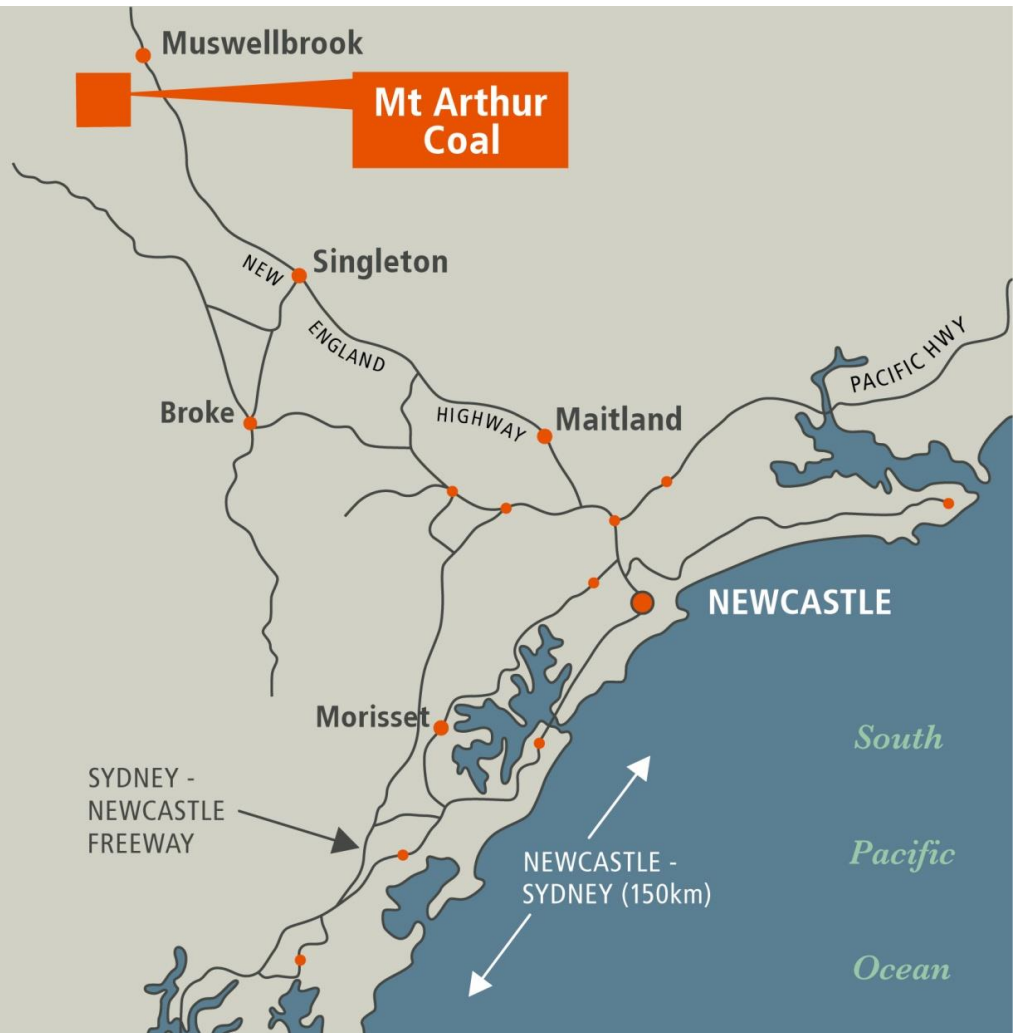
Mt Arthur Coal

MCCI Mining update breakfast – 13 August 2019



About Mt Arthur Coal

- Open-cut coal mine 100 per cent owned and operated by BHP
- In operation since 1968
- One of the Hunter Valley's largest individual coal production sites
- Approved to extract 32 Mtpa run-of-mine coal from open cut
- Extracted approximately 24.9 million tonnes (Mt) run-of-mine coal, resulting in 18.3 Mt of product coal in FY19
- Current Project Approval from NSW Government until 2026



Our Focus



FY18 Contribution to New South Wales

Approx. **\$150m**

in royalties, taxes and payments to the New South Wales Government*



\$231m in wages paid to direct employees



Approx. **\$159.5m** in spending with suppliers



\$6.6m

in total approved spending with local businesses through the **Local Buying Program** in New South Wales***



Approx. **\$400,000**

in community contributions



Mt Arthur Coal Mine



Newcastle



A workforce** of approx. **1,500**

\$3.3m in Local Council payments



FY19 Contribution to New South Wales

Approx. **\$213.5m**

in spending with suppliers

\$7.8m

in total approved spending with local businesses through the

Local Buying Program

in New South Wales***

All figures are approximate aggregations. Figures are in Australian dollars.

*In FY18, BHP paid US\$107.5m in royalties to the State of New South Wales. See BHP Economic Contribution Report 2018.

**Employees and contractors.

***The Local Buying Program is delivered in partnership with C-Res.

Supplying to BHP

www.bhp.com/info/supplying-to-bhp



Service entry submission

Fulfilled your work and ready to submit your service claim?

[Use our online form](#)



Payment queries

Following up on an invoice or service entry sheet? Have a question regarding payment?

[Ask us here](#)



Global Contract Management System (GCMS)

Log in to GCMS for registered suppliers. Note: registration is by invitation only.

[Log in](#)

Supplying to BHP

BHP supplier registration and contract management ▼

BHP Australia suppliers ▲

Register as an interested supplier for supplying goods and services to one or any of the following Assets:

- New South Wales Energy Coal (NSWEC)
- Olympic Dam
- Western Australia Iron Ore (WAIO)
- BHP Mitsui Coal (BMC)
- BHP Mitsubishi Alliance (BMA)

[Register as an interested supplier](#)

BHP

What is the Local Buying Program?



- **Online portal with one point of access**
- **Complete procurement to pay processes**
- **Builds relationships between BHP operations, local small businesses and stakeholders**
- **Assists with building capability and capacity in local supply chain**
- **Delivered by C-Res, making it easier for small businesses to work with BHP**

LOCAL BUYING PROGRAM
BUILDING OUR FUTURE TOGETHER



PROUDLY DELIVERING THE LOCAL BUYING PROGRAM IN PARTNERSHIP

FY19 Results

85% Approval rate for work opportunities lodged

Approved Spend Highlights 2018 – 2019

Muswellbrook Shire	70%	\$5,549,151
Singleton Shire	24%	\$1,914,757
Upper Hunter Shire	6%	\$429,735

\$7,893,643 Total Approved Spend

Local Business Participation Highlights 2018 – 2019

Muswellbrook Shire	48%	58	Approved Suppliers
Singleton Shire	37%	44	Approved Suppliers
Upper Hunter Shire	15%	18	Approved Suppliers

120 Total Number of Approved Suppliers

Work Opportunities Highlights 2018 – 2019

Muswellbrook Shire	79%	416	Approved Work Opportunities
Singleton Shire	19%	98	Approved Work Opportunities
Upper Hunter Shire	2%	13	Approved Work Opportunities

527 Total Approved Work Opportunities

14 Days average payment period from receipt of invoice

138 Registered BHP Buyers

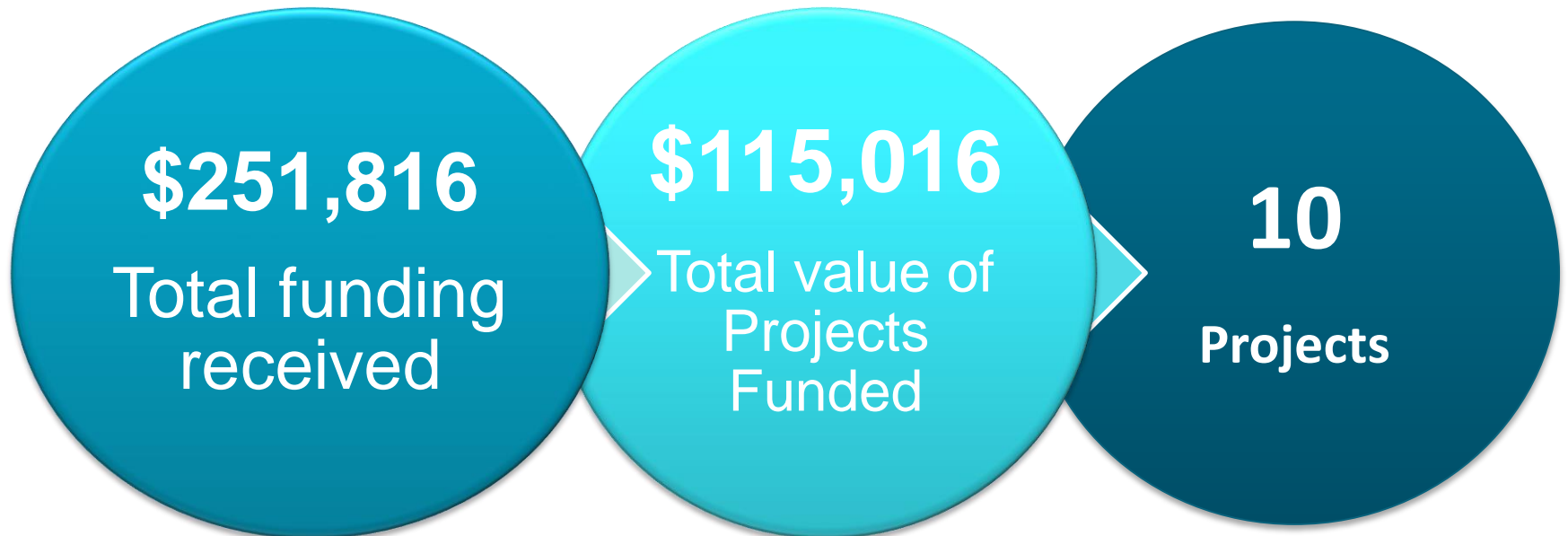
LOCAL BUYING PROGRAM
BUILDING OUR FUTURE TOGETHER

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

PROUDLY DELIVERING THE LOCAL BUYING PROGRAM IN PARTNERSHIP

Local Buying Foundation

The **Local Buying Foundation** is a critical element of the Local Buying Program. BHP make a financial contribution to the Local Buying Foundation for every approved Local Buying Program transaction. The aim of the Local Buying Foundation is to enhance the economic sustainability of regions within the operational footprint of BHP operations in New South Wales through the support of programs and initiatives that target local business training and development needs.



Current Funded Projects

- Singleton Business Chamber - Business Awards
- Muswellbrook Chamber of Commerce & Industry – Business Awards
- Scone Live Work Invest, Stage 2
- Upper Hunter Country Tourism Website
- Upper Hunter Country Visitors Guide
- Corporate Governance Training
- Singleton Community Training Kitchen
- Building Connected Business Communities – Business Development Officer Role



SINGLETON
Business Chamber



MUSWELLBROOK
CHAMBER
OF COMMERCE
& INDUSTRY



the
business
centre



BHP



MACHEnergy

Mount Pleasant Operation

Local Procurement Policies & Channels

Richard Bailey – GM Operations

Simon Collins – Procurement Specialist

What suppliers should know

Richard Bailey

- MACH has partnered with key contracting groups to operate the Mount Pleasant Mine
- MACH Energy has a small team of permanent employees;
- Project commenced in 2016 and our CHPP will be commissioned later this year;
- Key capital projects include a new rail and loadout, 66 KV relocation, water management;
- We continue to build strong relationships with our local business partners;
- These partnerships are essential as we establish ourselves as committed long term members of the Muswellbrook business community; and
- We work collaboratively with new and existing suppliers to build capacity to achieve our local supplier strategy objectives.

Simon Collins

- Our procurement requirements include a broad range of products and services from suppliers who can assist our team;
- Our mining operations are carried out by Thiess;
- Our Coal Handling Preparation Plant operations are carried out by Sedgman;
- **An example of some of our local suppliers -**
Blackrock Industries, OAS, YORE, PPS, SGS, Double Picc, Marathon Tyres, Farrams;
Muswellbrook Toyota, PUMA, Hunter Valley Printing etc.



MACHEnergy

Mount Pleasant Operation

We will have a conversation with you –

Point of contact – Simon Collins, info@machenergyaustralia.com.au

Phone: 1800 931 873

Website – www.machenergyaustralia.com.au

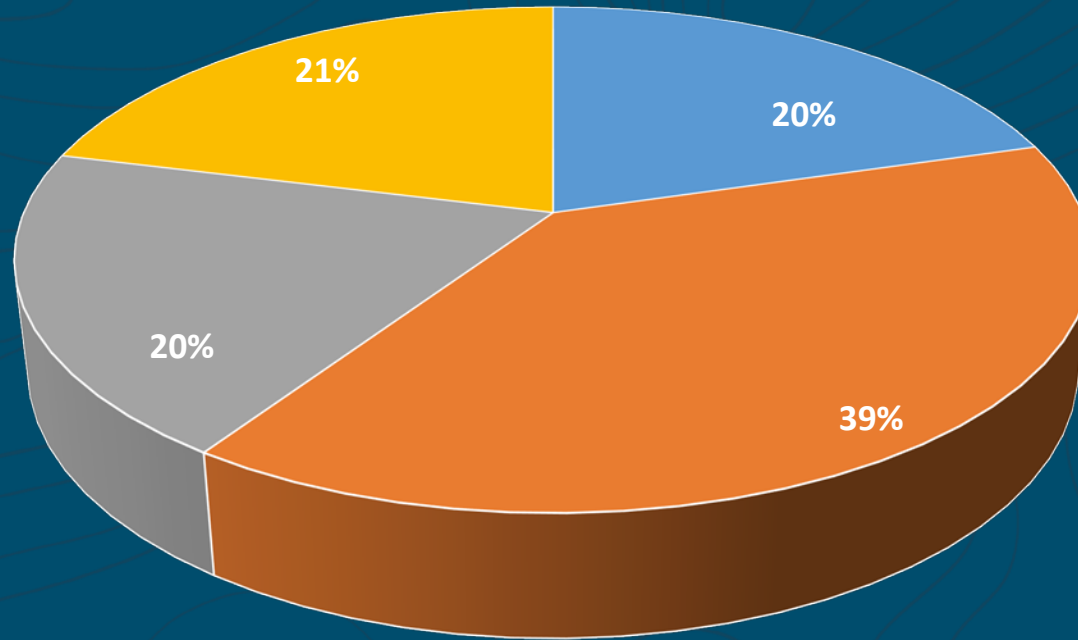


Phil Hollway

**Procurement and Supply
Superintendent**

Bengalla Procurement

Bengalla Total Spend



■ National

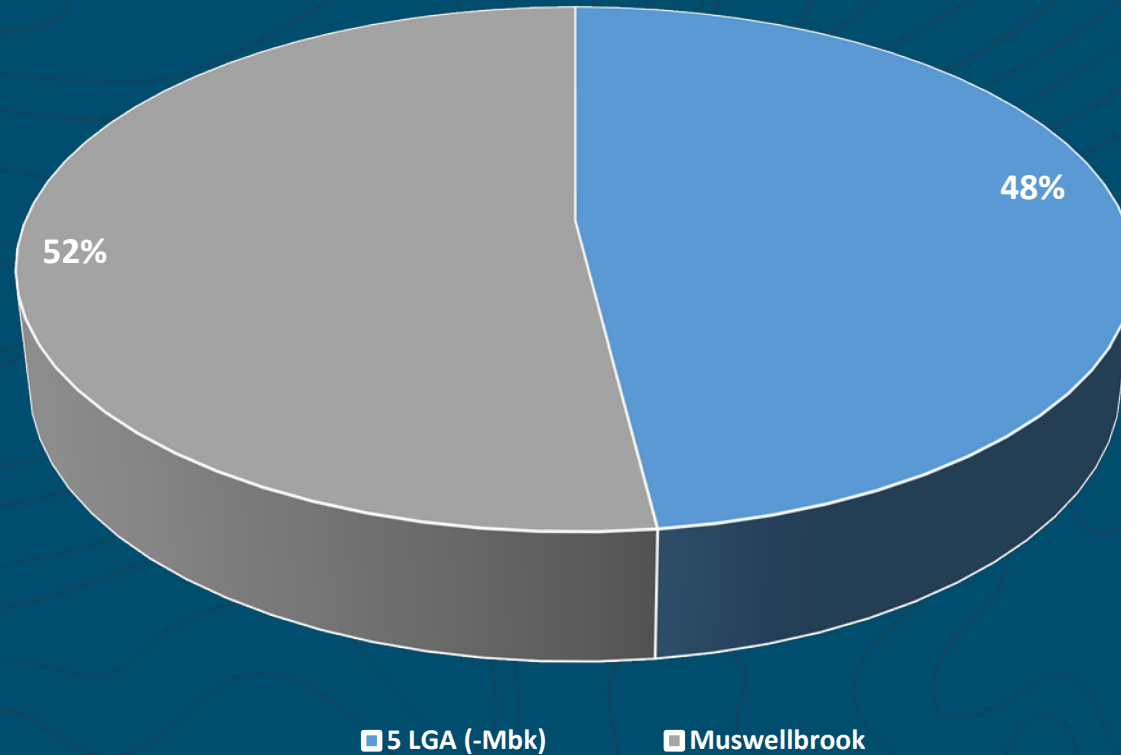
■ NSW

■ 5LGA

■ Muswellbrook

Bengalla Procurement

Bengalla 5 LGA Spend - 2018



Bengalla Supply Chain Facilitation Project

- Collaboration between Bengalla, Federal Govt's Entrepreneurs Programme and Austmine
- Aim – improve capability and performance of Suppliers inline with Bengalla's needs
- Supplier Forum – 130+ attendees
- Two rounds – 28 Suppliers
- 154 actions recommended, 70 completed, 33 currently in progress
- 12 companies accessed grant funding
- 2x Buyer/Supplier roundtable sessions
- 2x open workshops (+70 attendees)
- Media + video case study
- Second project under discussion

JOBS
NETWORK
VALUE-ADDED
DEVELOPMENT
WORLD-LEADERS
INTENSIVE MULTI-NATIONAL SK
INNOVATION VIBRANT SPECIA
GROWTH NATIONAL METS
KNOWLEDGE INTERNATIONAL
AUSTRALIAN WORKFORCE
COLLABORATION
EXCELLENCE TECHNOLOGIES
ACCELERATE REVENUE
NEW SUPPLY
RAPID R&D
CLUSTERS
FINANCE
MANUFACTURING
MINING



Local Procurement

Local Procurement Policy

Our local procurement commitment is to maximise opportunities for local suppliers to compete and participate in our supply chain, without compromise to safety, risk or sustained commercial value

- Committed to working with local suppliers, offering opportunities in line with capabilities & capacity both commercially & operationally.
- What is local?
The existing economic geographic area for Bengalla – Muswellbrook, Scone, Denman, Singleton and Upper Hunter LGAs
- How?
Identify supply opportunities through the mining life cycle
Communicate with local industry groups
Promote tender opportunities
Identify local industry strengths and support capability development programs
Encourage suppliers to share their complete product/service offer -
Innovation

Engaging with Bengalla

- Supply only:
 - Copies of relevant insurances
 - Completed BMC application
 - Agreement on General Conditions
- On Site Services:
 - In addition to the above
 - Become an “Approved Company”
 - Complete Safety Management Plan
 - Complete site training & induction
- Supply & Services:
 - all the above

For more information contact

Bengalla Procurement

Bengalla.Supply@Bengalla.com.au

A woman in a white hard hat and orange high-visibility shirt is smiling and looking towards a man in profile on the left. The background shows a construction site with a yellow excavator and a blue sky. The word 'THIESS' is visible on the hard hat.

THIESS

Making a difference

New South Wales
Operations Manager
Heather Parry

A member of the CIMIC Group



Revised 5 June 2018

Delivering value in New South Wales



Global insight, local value

**LIVE
WORK
SPEND**

..... IN THE

**HUNTER
VALLEY**

WORKED WITH
..... OVER

380

HUNTER VALLEY
BUSINESSES

..... INCLUDING

EQUIPMENT HIRE
MECHANICAL REPAIR
PARTS SUPPLIERS

WE WORK
..... WITH

**LOCAL
INDIGENOUS
SUPPLIERS**

.....
**BLACKROCK
INDUSTRIES**

.....
**BORGER
CRANE HIRE
AND RIGGING**

.....
**CARETRAC
AND MORE**



Becoming a supplier

Supplier

Step 1:

Register your interest at www.thiess.com.au

Step 4:

Complete EOI including: Environmental, H&S, Quality and HR/IR evaluation | Due Diligence } Insurances

Step 6:

Submit tender upon receipt of invitation

Step 8:

Ask about our Early Payment Program

Thiess

Step 2:

Scope work and identify businesses

Step 3:

Issue EOI for pre-evaluation purposes

Step 5:

Review EOI and issue an invitation to tender to selected businesses

Step 7:

Evaluate tenders against set criteria and award the work



Thank you



CREATE LASTING VALUE

THIESS