



**SINGLETON**  
◆ Business Chamber ◆



**Upper Hunter  
Mining Dialogue**



**THIESS**

**Peabody**



# MINING PROCUREMENT LUNCH

**12 September 2019, Singleton Diggers**

**MC: Sue Gilroy, President, Singleton Business Chamber**



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**Craig Milton**  
Policy Manager, NSW Minerals Council

# More information:

Website:

For detailed reports and project information see:

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

Facebook:

For latest news and updates see:

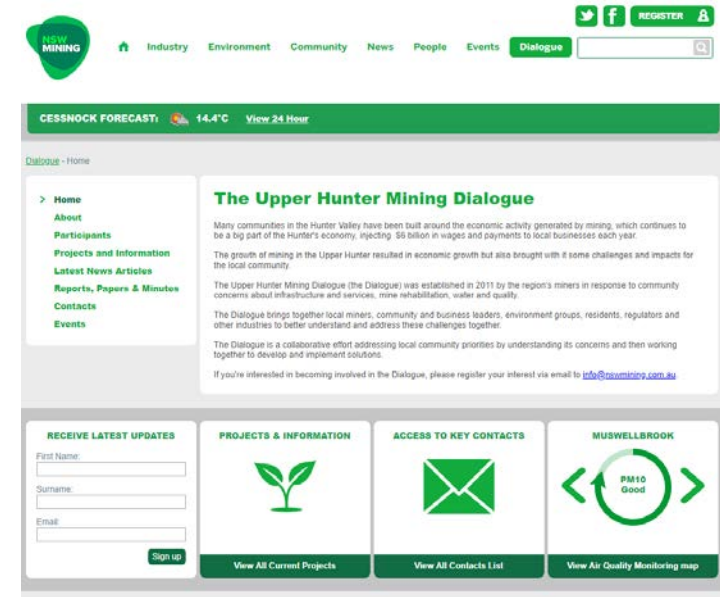
[www.facebook.com/UPPERHUNTERMININGDIALOGUE](https://www.facebook.com/UPPERHUNTERMININGDIALOGUE)

2019 Annual Forum - Save the Date:

Tuesday 19 November 2019

Singleton Civic Centre

All welcome, RSVP: [info@nswmining.com.au](mailto:info@nswmining.com.au)





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**Valmir Winkler**  
Group Procurement Manager

**Sally Burgmann**  
Contracts Superintendent

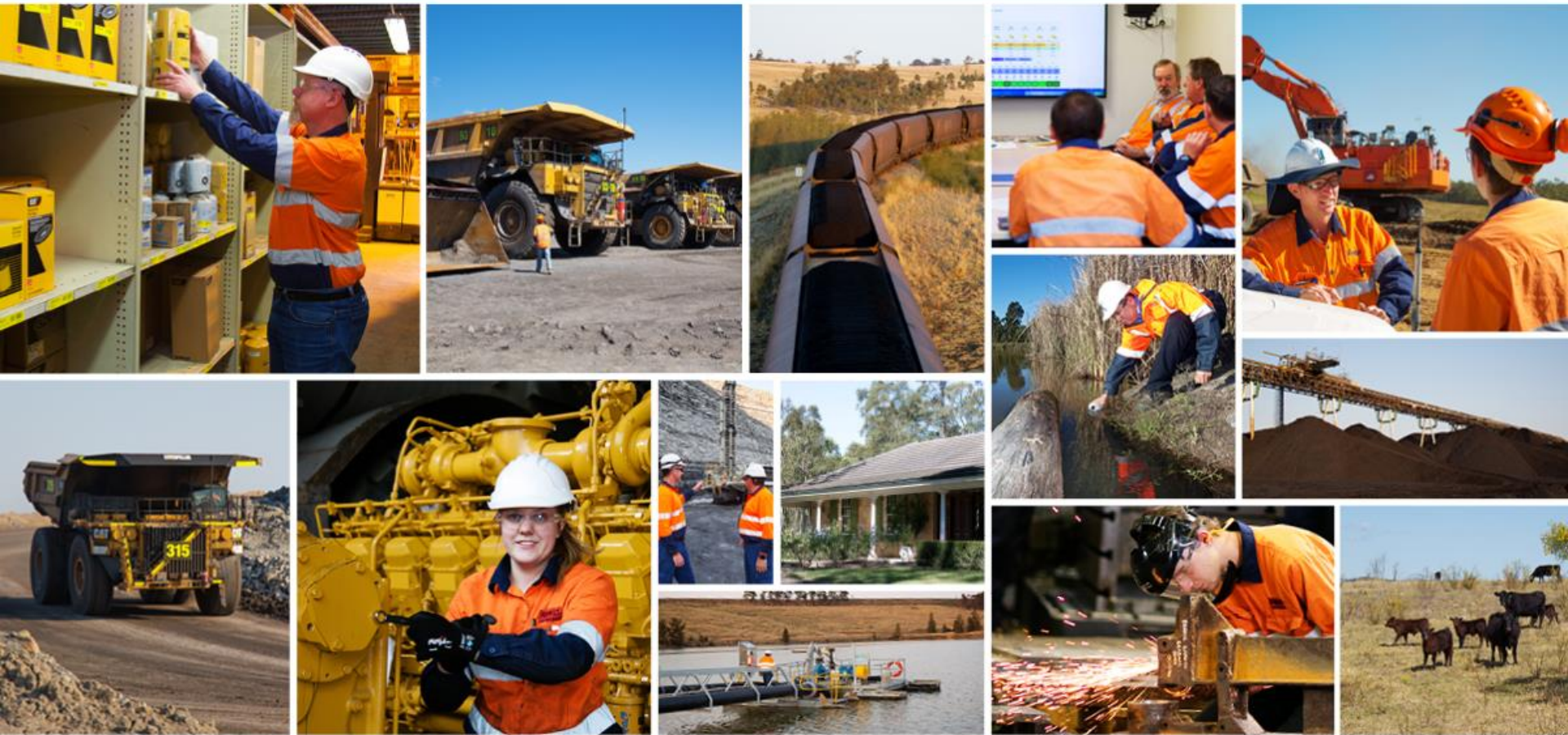
# UHMD – Mining Procurement Lunch

- Valmir Winkler – Group Procurement Manager
- Sally Burgmann – Contracts Superintendent

12 September 2019



WE CARE. WE DELIVER.



**OUR PURPOSE:** We are a proud and successful Australian mining and engineering group

**OUR VISION:** We seek excellence in all we do: respecting our history as we shape our future

**OUR VALUES:** We Care. We Deliver.

We are a proud and successful Australian mining & engineering Group



**Local people, working with local businesses**





**Working together**





We respect our history as we shape our future

ABOUT US

## Suppliers

**Our operations are supported by a range of local small businesses.**

Beyond the economic support of employing local people, Bloomfield works with a large number of local businesses.

As local people ourselves, we have always sought to work with and support local businesses first. This has been integral to our success.

Because of our approach, many of our local business relationships are long standing. When opportunities to work together become available, we engage the local business community via Tenderlink.

REGISTER YOUR INTEREST

Thank you



Our Purpose - What we do

**We are a proud and successful  
Australian mining and engineering group**

Our Vision - What we aspire to be

**We seek excellence in all we do:  
respecting our history as we shape our future**



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# THIESS

Philip Woods  
General Manager, Supply Chain

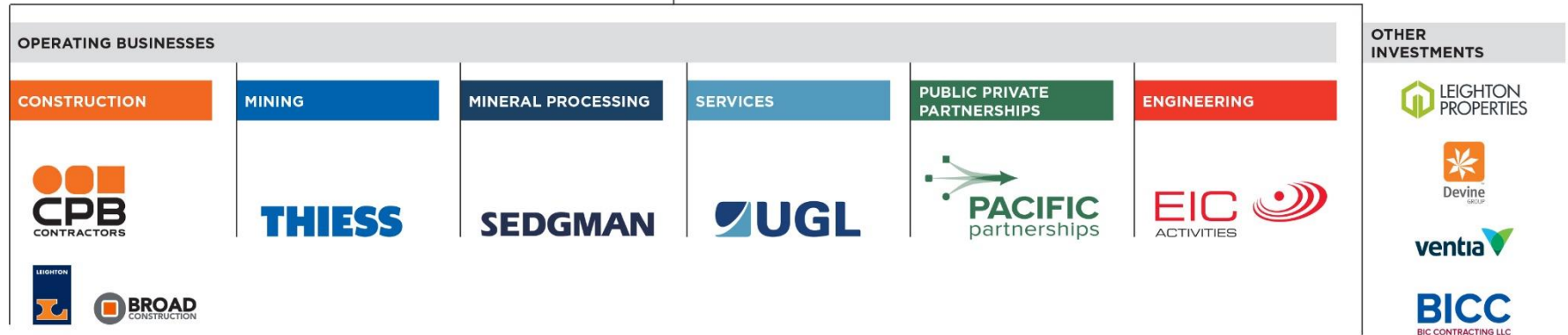
A woman wearing a white hard hat with the 'THIESS' logo and an orange high-visibility work shirt is smiling broadly. She is wearing safety glasses. In the background, another person in a similar orange shirt is visible, and the setting appears to be a construction or mining site with a bright sky.

# THIESS

## Making a difference

General Manager  
Supply Chain  
Philip Woods

# 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](http://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



# Upcoming supply opportunities

## Water Infrastructure

- Supply of pumps and flow metres
- Pipeline fittings and hardware
- Installation of water fill points

## Rehabilitation Works

- Rehabilitation of disturbed areas to native woodland, forest and pasture.



## Thiess contacts:

**Bec Gallagher**  
bgallagher@thiess.com.au

**Ken Olteanu**  
kolteanu@thiess.com.au



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# Peabody

Mardus Uys  
Commercial Manager, Wambo



# Profitable partnerships

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Mardus Uys  
Commercial Manager, Peabody

12 September 2019

**Peabody**

DELIVERING  
**RESULTS**  
GENERATING  
**VALUE**



# Who is Peabody Energy?

Peabody Energy is the world's largest private-sector coal company serving customers in 25 countries on six continents.



# Peabody's Australian platform



- In FY 2018, Peabody's Australian operations produced 36 million tons of coal sold primarily to steel producers and electricity generators in Australia and Asia
- Peabody has mining operations across Qld and NSW directly employing almost 3,000 people
- Qld: North Goonyella, Burton, Millennium, Coppabella Moorvale and Middlemount (50%)
- NSW: Metropolitan, Wambo OC, Wambo UG and Wilpinjong



## HUNTER VALLEY COAL FIELDS

### Wilpinjong

- Opencut
- 100% owned
- Thermal

### Wambo

- Opencut & Underground
- Majority owned \*
- Thermal

# NSW Portfolio Overview

NSW operations sold 21 tonnes in 2018

### Newcastle Office

Marketing and Logistics office, managing the execution of sales/trade

### NCIG Coal Terminal

- 66 Mtpa capacity
- User group owned, with Peabody shareholding currently 15.8%

### PWC Coal Terminal

- 145 Mtpa capacity
- User group owned

New South Wales

### Metropolitan

- Underground
- 100% owned
- SHCC / Coarse

### Port Kembla Coal Terminal

- 16 Mtpa capacity
- User group owned
- Contracted for Metropolitan tonnes

## LEGEND

- Cities
- Peabody mine site
- Township
- 🚢 Port facility
- Port facility

\* Subject to Third party B Class Shareholding entitling 25% profit share

# Growth plans for NSW mines

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- IPC, on behalf of NSW Government has approved the United Joint Venture, now awaiting Federal approval under EPBC Act.
- \$381M United Wambo project will be managed by Glencore and produce up to 6Mtpa of saleable coal over a 23-year mine life
  - In 2018 Wambo open cut produced 3.26Mt
- Peabody will continue to operate Wambo underground mine.
- Peabody will spend \$200M over the next 2 years to pursue life extension projects to maintain its export thermal coal volumes at both Wambo and Wilpinjong mines.
  - United Wambo production expected early to mid- 2020
  - Wilpinjong Extension Project (WEP)





# Peabody support for Local Suppliers

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- In FY 2019 Peabody's NSW mines injected \$558 million in wages and business into local communities throughout NSW.
- Of this, approximately:
  - \$188M from Wilpinjong mine (Mudgee)
  - \$232M from Wambo open-cut and underground (Singleton)
  - \$165M from Metropolitan (Illawarra)
- Local presence of national suppliers (fuel, explosives etc.) add economic activity to the region
- Community support:
  - Wildlife Aid
  - PCYC Singleton Youth Boxing
  - Outstanding Business Awards
  - Newcastle and Hunter Combined Schools ANZAC Service
  - Cystic Fibrosis race day
  - Wambo Singleton Hall of Fame

# Becoming a Supplier to Wambo Coal

## OVER 150 CURRENT LOCAL SUPPLIERS TO WAMBO COAL

- Singleton (2330) 93
- Muswellbrook (2333) 17
- Maitland (2320) 53



## Opportunities for Local Suppliers at Wambo

- Hire Equipment
- Concrete Supply
- Crane & Transport Supply
- Catering (ie: lunches & BBQ supplies)
- Vehicle servicing & maintenance
- Physiotherapy & medical
- Stationery supplies

## Contact

[cbowden@peabodyenergy.com](mailto:cbowden@peabodyenergy.com) or [schain@peabodyenergy.com](mailto:schain@peabodyenergy.com)

## Peabody leads way with 30-day payment terms

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- Company already had almost 95% of supplier spend on 30 days or less payment terms
- November 2018 commitment to bring 100% of SME suppliers onto 30 day terms = approx. 400 suppliers nationally
- Peabody first company to publicly make this commitment
- No geographical boundaries will apply to SMEs offered these terms



## To stay relevant, our suppliers must...

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- ✓ Have a strong safety record
- ✓ Do what they say they will do
- ✓ Make an effort to understand our business and bring practical improvements to the table
- ✓ Be realistic, flexible and innovative
- ✓ Be on the journey with us – share some risk
  - **Deal Breakers**
    - \* Poor safety credentials
    - \* Rates that fail to meet the market
    - \* Lack of flexibility with products or services
    - \* Lack of willingness to stand behind their product/service and take some risk with us

# Thank you

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Questions?





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**LOCAL BUYING PROGRAM**  
BUILDING OUR FUTURE TOGETHER

**BHP**  **C-RES**  
COMMUNITY RESOURCING  
FOR THE FUTURE  
PROUDLY DELIVERING THE LOCAL BUYING PROGRAM IN PARTNERSHIP

**John Aurisch**  
Business Development Manager, C-Res,  
Local Buying Program

# 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

# Supplying to BHP

[www.bhp.com/info/supplying-to-bhp](http://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

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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](#)

**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	<b>70%</b>	\$5,549,151
Singleton Shire	<b>24%</b>	\$1,914,757
Upper Hunter Shire	<b>6%</b>	\$429,735

**\$7,893,643** Total Approved Spend

## Local Business Participation Highlights 2018 – 2019

Muswellbrook Shire	<b>48%</b>	58	Approved Suppliers
Singleton Shire	<b>37%</b>	44	Approved Suppliers
Upper Hunter Shire	<b>15%</b>	18	Approved Suppliers

**120** Total Number of Approved Suppliers

## Work Opportunities Highlights 2018 – 2019

Muswellbrook Shire	<b>79%</b>	416	Approved Work Opportunities
Singleton Shire	<b>19%</b>	98	Approved Work Opportunities
Upper Hunter Shire	<b>2%</b>	13	Approved Work Opportunities

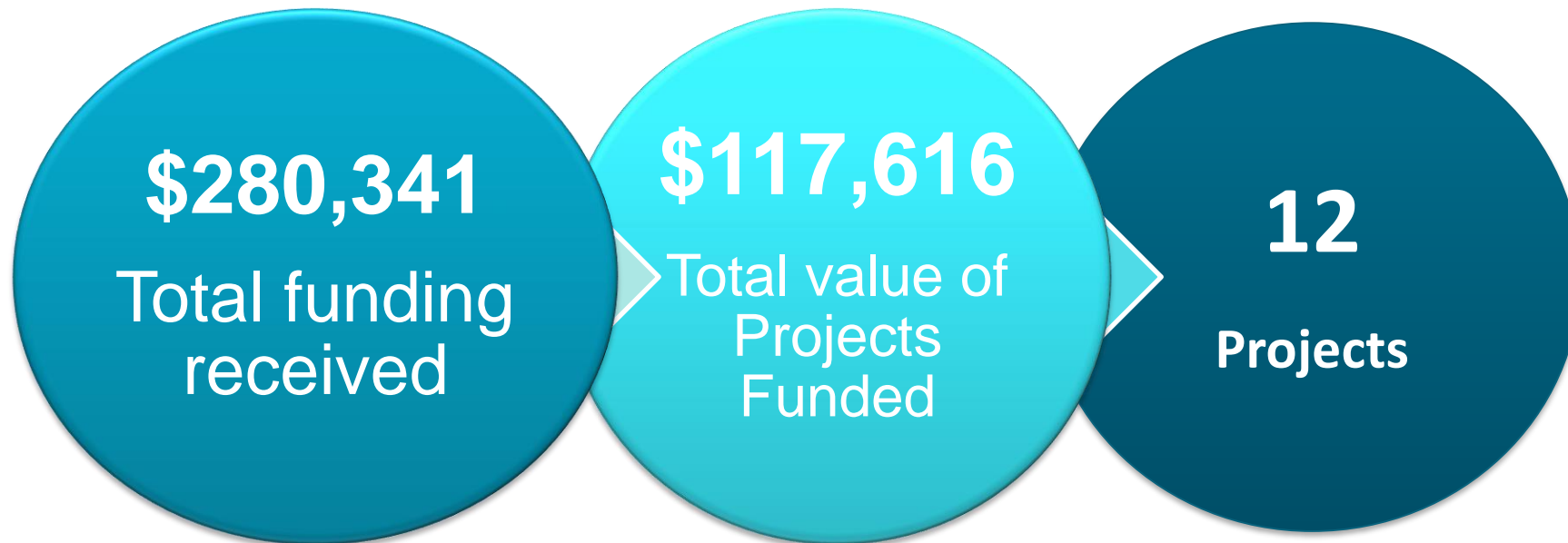
**527** Total Approved Work Opportunities

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

**138** Registered BHP Buyers

# 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
- The Business Centre – Business Management Masterclass Series
- Scone Home Timber & Hardware – Scone Trade





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# Q&A / Networking

Thanks for attending

Please fill in your Feedback Forms