

MINUTES

Upper Hunter Mining Dialogue Joint Economic and Social Development Working Group Meeting

UHMD Resource Centre, Upstairs of the Town Square Shopping Centre
Suite 1, 159 John Street, Singleton NSW 2330

Wednesday 27 February 2019, 1:00 pm to 2:40 pm

Attending

Ngaire Baker (Chair)	Mount Pleasant Operation
Scott Fittler	Yancoal
Damien Butler	The Bloomfield Group
Leah Scheepers	BHP
Josh Harris	Glencore
Tony Chadwick	Singleton Shire Council
Sue Gilroy	Singleton Business Chamber
Mike Kelly	Muswellbrook Business Chamber
James Barben	NSW Minerals Council
Craig Milton	NSW Minerals Council

Apologies:

Deirdra Tindale	BHP
Craig White	Bengalla Mining Company
Gerry Bobsien	Muswellbrook Shire Council
Brett Wild	Branxton Greta Chamber of Commerce
Bob Mackie	theresource

1. Welcome and apologies

The Chair welcomed all attendees and noted the apologies received.

2. Minutes and actions from Previous Meeting

The minutes from the previous meeting were accepted, with all actions completed. Mr. Butler noted that he had replaced Ms. Spiteri on the Committee.

3. Working Group Terms of Reference

Members briefly discussed the revised Terms of Reference for the Working Group and supported the objectives agreed by members at the previous meeting being included.

4. Review of 2018 Annual Forum: Project Ideas from Discussion Sessions

Mr. Barben provided an overview of how the discussion would work, noting that the project ideas listed were summarised from those raised by participants at the 2018 Forum Discussion Sessions. The following tables have captured the key projects under each of the themes whereby specific projects were supported for the Dialogue's consideration by the JASC.

ECONOMIC DEVELOPMENT, MINING AND BUSINESS

Project Idea:

Develop a portal, or interactive website focused on procurement - this will help achieve a two-way understanding between industry and suppliers so that:

- industry will have greater knowledge of the capabilities of, and have access to a variety of local businesses for various procurement opportunities, and
- suppliers will know what work is being offered, have a specific single point of contact for each company or operation (name and details), and understand the key criteria that needs to be fulfilled to qualify as a supplier/contractor to seek opportunities.
- the procurement process can be clearly communicated for all parties, what is to be expected regarding responses and time frames etc.

Working Group Discussion:

Members were alerted to the free 'Local business buying network' that Singleton Council has launched through the 'Localised' platform and encouraged the Dialogue to leverage off this opportunity. The Dialogue is happy to work in partnership to help communicate other initiatives. Singleton Council encouraged industry procurement personnel to tap into this pipeline. The project was completed in late 2018, and recently launched with over 40 businesses in Singleton/Cessnock. It is the first council in NSW to try this initiative and is working with the Business Chamber and Business Centre to promote across networks. Singleton Council will share the website link with the Dialogue. Muswellbrook Council currently has a 'wait and see' approach to this platform.

Members supported the Dialogue scoping the development of a portal website of sorts that promotes the procurement process and capabilities statement for each company, with a direct link to each company's procurement portals.

Members encouraged a minimal approach to forming this, noting the definition of 'local' suppliers needs to be better defined before commencing work. This issue is highlighted in the House Inquiry.

BHP noted their Local Buying Program which provides BHP with visibility, transparency, of suppliers with 20 employees or less and helps the company going out to tender.

Members supported delegating promotional aspects of the portal website to the Communications Working Group to determine how best to share the resource across the Upper Hunter (via social media, direct emails, newsletters, print and visual media)

Project Idea:

Given the different procedures and requirements across Upper Hunter sites with regards to procurement matters, industry might consider a 'pre-qualification mechanism' for suppliers that is standardised across sites and to share this information through business chambers, local councils and NSWMC/Dialogue.

Working Group Discussion:

Members did not support a standardisation process being explored by the Dialogue given the complexities involved in aligning the various processes and requirements that each company has in place. Given the demand for business training, members supported a proposal to focus on providing training information to suppliers around developing capability statements, outlining a best practice procurement process, how to prepare and respond to tenders, and respond to what companies are looking for.

The information could be provided via e-learning platforms or done in modules to cover a range of topics. The Dialogue could seek to develop a generic procurement process that most mining companies follow. Business Chambers encouraged the Dialogue to leverage off existing events or lunches where possible to maximise exposure, interest and attendance.

Members noted that requirements vary depending on the type of supplier. While the Dialogue can't provide absolute clarity, we can seek to improve the knowledge that suppliers have by providing

information about general requirements.

Project Idea:

Develop a policy to recognise and demonstrate the value and importance of both local suppliers and business needs.

Working Group Discussion:

Members noted that the projects discussed above will provide support to local suppliers. The Dialogue could look to develop a brief statement similar to the Local Content Leaders Network, which somewhat mirrors the purpose of the Working Group as listed in the Terms of Reference.

Members noted the BHP/CSIRO Local Voices Program that is seeking to collate community opinions over three years. Information on community sentiments on various topics will be publicly available and can be shared more broadly.

Project Idea:

Host additional networking events, workshops, webinars (or combination of all three) using industry procurement personnel to:

- educate suppliers on engagement and advise on how they can access mining industry procurement opportunities;
- encourage suppliers to sell their competitive advantages to targeted opportunities; and
- build on relationships with business chambers, councils and other key community groups.

Working Group Discussion:

Members noted that we have already covered off this point in training and industry presentations at community events about business practices would close out this project idea.

Singleton Council noted that they have business training facilities available for use. Muswellbrook Council also has training facilities that are underutilised. Members noted that the Dialogue Resource Centre is always available for community groups and partners to use if they require a meeting room or office space.

Project Idea:

Developing an industry/supplier working group to advise on capability sharing and tendering process, e.g. webinars

Working Group Discussion:

Members noted that this group fulfils this function.

Project Idea:

GAP analysis to develop improvement program to address shortfalls around soft skills - including managing relationships and communicating capability, initiating quarterly/half yearly catch ups with structured conversations and questions. Better understanding of each side of business.

Working Group Discussion:

Members noted this is addressed in the discussion around improving capabilities of suppliers and opening up discussions through networking events.

Project Idea:

Investigate increasing flexibility of payment terms and timeframes across Upper Hunter sites, as some are too slow for SMEs. Some have returned to 30 days to help improve cash flow, which has been generally well received.

Working Group Discussion:

Members noted that this issue is currently being dealt and there are submissions to respond to this in terms of legislative changes. Members agreed it would be good to await the findings of the House Inquiry, which the Dialogue advised would be reviewed.

The Business Chambers noted that while important, this issue is generally not raised directly. Mines are cited at times as the reason for why companies cannot pay, as suppliers are awaiting payment.

Education on this has to be both ways. Suppliers need to understand the requirement to lodge invoices and other documentation in time to be approved to generate the payment within the terms.

Project Idea:

Keep bite-size engagement in mind. Keep it short and sharp. Don't need to tell everything at once. Whole day events are a big imposition on small business' time.

Working Group Discussion:

Members noted this comment and that these considerations will be incorporated into any future events.

Project Idea:

Coal Miners Insurance - Increased provision sources, to ensure there is not a monopoly. Third party authority.

Working Group Discussion:

Members noted the difficulty for the Dialogue to action this and that NSWMC has been working with Coal Services to address this issue.

ACTION:

- **Dialogue secretariat to include Working Group discussion and recommendations in Steering Committee papers for decision.**

5. Review of 2018 Annual Forum: Feedback from Participant Surveys

Members discussed the feedback collected by the Dialogue in relation to the 2018 Forum, noting that the Muswellbrook event was well attended with 150 persons in attendance. Members were advised that the 2019 Forum would be held at the Civic Centre, Singleton, which is a larger venue more suited to the format of last year's event. Members agreed that a similar rate of attendance for 2019 would be good, as any more participants might make the event unwieldy and impact on the quality of discussion and feedback received.

Members noted that some feedback focused on the need to better report results, however the newsletters are being used to better communicate to Dialogue stakeholders on progress throughout the year, rather than every November.

Mr. Barben advised that the Dialogue secretariat was keen to report back to stakeholders on what issues they raised, and how the Dialogue had considered and actioned projects to address these issues.

6. Update on Working Groups

Members noted the Working Group updates and were pleased to be able to have a greater degree of awareness of what the other groups were discussing and what projects they were working on.

7. Update on Communications Activities

Mr. Mackie provided an overview of the various communications activities, noting recent discussions with RDA Hunter regarding a proposal to incorporate the School Mine Tours in a STEM program, which will provide significant benefits for the Dialogue including the development of a curriculum, support for teacher training, and including the program in all Upper Hunter Schools whereas the current program is voluntary.

8. Other Business

No other business was discussed.

9. Next Meeting & Close

Mr. Milton noted that the next round of meeting dates will be scheduled shortly. Mr. Barben reminded members of the process moving forward regarding the project ideas, and that the Working Group would receive a list of agreed actions and recommendations by the Joint Advisory Steering Committee, shortly after their meeting in early March.

The meeting closed at 2.40 pm.

**Actions arising from meeting
UHMD Joint Economic and Social Development Working Group Meeting**

Action	Responsibility	Status
Review of 2018 Annual Forum: Project Ideas from Discussion Sessions		
Dialogue secretariat to include Working Group discussion and recommendations in Steering Committee papers for decision.	Dialogue secretariat	Completed