



# Byerwen Coal Project

2017 Annual Report to Coordinator General





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# 1 Introduction

Byerwen Coal (Byerwen) is pleased to provide this second annual progress report on the Social Impact Assessment Action Plan (SIAAP) and management of social impacts for the Byerwen Project (the Project), and in compliance with the Queensland Coordinator General's approval conditions. The reporting period is for twelve months from 16 December 2016 to 16 December 2017.

The report details progress on the SIAAP, Project impacts to date, stakeholder engagement activities. The report also describes the Project's continued positive contribution on the local community and the region more broadly during the reporting period, which continued to see fluctuating and unstable conditions for the coal market.

Byerwen is committed to driving economically, environmental and socially responsible operations. The QCoal Group's values of safety and environment, integrity, innovation, trust and pragmatism governs the way business is conducted, and provides the strong framework under which we operate. This approach has been the foundation of the QCoal Group's outcomes at both Byerwen and the Northern Hub operations south of Collinsville, and will continue to shape the development and operation of the our assets into the future.

# 2 About Byerwen Coal

Byerwen Coal Pty Ltd is a joint venture between QCoal Pty Ltd (80%) (QCoal) and JFE Steel (20%).

QCoal is a privately-owned Queensland company based in Brisbane and has been active in the Queensland coal exploration and mining industry for over 20 years. QCoal has discovered and developed the Sonoma, Cows, Drake and Jax Mines, with the Sonoma recently celebrating its 10-year anniversary of first coal.

JFE Steel is a subsidiary of the JFE Group of Japan. The JFE Group is Queensland's largest exporter customer and JFE Steel one of the largest customers of Queensland sourced coking coal.

The Project is located 20 kilometres west of Glenden in Queensland's Northern Bowen Basin, within both the Isaac and Whitsunday Regional Council areas. Once fully operational, the Byerwen Mine will produce up to 10 million tonnes of hard coking coal per year. Coal from the Byerwen Mine will be railed to Abbot Point Coal Terminal for export.

The Project was approved by the Queensland Coordinator General in July 2014, and by the Federal government in October 2014. The first of the seven mining leases for the Project was granted in April 2015, allowing for the commencement and completion of early infrastructure works, including the rail loop, associated power and signalling works and minor civil works. In May 2017, an additional two mining leases were granted, and the Project transitioned into Stage 2 construction activities for the South Phase, with preliminary mining operations commencing in August 2017. Four leases remain in application for the North Phase, and Byerwen will continue to progress those through the required statutory approvals process.

The SIAAP, which was approved as part of the Environmental Impact Statement (EIS), was informed by the Social Impact Assessment (SIA) prepared for the Project by Coffey Environments (2013). Since this time the coal mining industry has experienced significant instability, which has impacted many coal mining communities throughout Queensland. While market conditions have improved, pressure on the industry continues to generate a level of uncertainty both for the industry and the communities in which we operate. As a consequence, the environment at the time the SIA was developed in conjunction with the Glenden and surrounding communities has shifted, as has their priorities. Feedback from the SIA consultation was incorporated into the SIAAP, which focuses on the following key areas:

- Housing and accommodation
- Workforce management and local business and industry content
- Health and community wellbeing.

Within each key area impacts were identified and classified, as positive or negative. With changes to the market and community landscapes over the last five years, many anticipated impacts have either not materialised or have had a differing outcome on the local community and more broadly. This will be addressed specifically later in this report.

### 3 Project update

The Project has received all relevant State and Federal approvals, and has had three of seven mining leases (MLs 70434, 70435 and 70436) granted. The grant of the remaining mining leases for the North Phase will be progressed as per approval processes. The grant of these leases allowed for development of the South Phase as per Project approvals.

In May 2017, Byerwen commenced construction activities across the site, including:

- Completion of all communication and signalling works associated with the Byerwen Rail Loop
- Construction of Product Reclaim and Train Load Out system
- Installation and commissioning of Mobile Crushing Unit
- Power supply, including installation of substation and overhead powerlines to MIA
- Civil works
- Product stockpile and ROM pads
- Miscellaneous Infrastructure Area (MIA) preparation and construction
- Construction of various water infrastructure facilities
- Fuel farms
- Internal haul roads and light vehicle access
- Upgrade to the sealed site entry intersection of Wollombi Rd with the Collinsville-Elphinstone Rd
- Construction and commissioning of off-lease temporary workers' accommodation camp

During peak construction for the reporting period, there were approximately 280 people working on the Project, the vast majority of whom were accommodated in Glenden and Nebo, with some overflow into Collinsville.

Commencing August 2017, a mining fleet was mobilised in anticipation of early mining works and associated activities. Operational activities undertaken for the Project include:

- Commissioning of 4 mining fleets, staggered over six months
- Commencement of mining activities in August 2017
- Over 3M BCM of material moved
- Establishment of waste dump facilities
- First coal in November 2017

The construction and commissioning of raiiling facilities will finalise in January 2018; contracts for the design and construction of a 500tph CHPP have been awarded and this is scheduled for commissioning in Q4 2018.

## 4 Economic impact assessment

As demand for Queensland coal continues, the Project aims to establish a commercial source for the supply of coking and thermal coal to international markets, mainly Asian steel mills. In that regard, the Project-wide benefits anticipated in the EIS continue to be relevant for the local region, the State and Australia. The Project has the potential to become a significant contributor to the future sustainability of the local region, and to ensure that Queensland continues to:

- meet ongoing global demand for high quality coal;
- realise future export revenue and coal royalties; and
- create employment and business opportunities for Queenslanders.

At the time the Project EIS was developed and submitted for assessment, coal prices were at peak and the industry in a boom climate. Since that time, the market has experienced considerable downward pressure, with thermal and coking coal prices hitting record lows in 2015, recovering at the end of 2016 and into 2017. These conditions have had an adverse impact on the industry, on state and regional economies and on mining communities. Many mining communities in the Bowen Basin have struggled to remain sustainable as the industry adapted to conditions. QCoal Groups' mining communities only started to experience an upward trend in the second half of the reporting period, due in part to a more buoyant coal market. In that context, the economic impact on the local and regional communities of the upper Bowen Basin has not emerged as anticipated in the Project EIS, the SIA or the SIAAP. Consequently, some of the information in those documents continues to lack relevance for the reporting period or has materially changed.

Against this background some of the impacts and associated mitigation actions described in the SIAAP are not currently necessary; have not materialised; or



require review in order to take into account the current status of communities and their shift in priorities, housing and accommodation availability and local services.

## 5 Social impact assessment

The SIA identified potential social impacts of the Project and proposed measures to enhance, mitigate and manage those impacts through the construction, operation and decommissioning phases.

During the reporting period, the Project commenced construction on the South Phase, which will continue into 2018, and initial mining activities. In that regard, impacts identified in the SIAAP will trigger as the Project continues to ramp into full operations. Impacts identified in this annual report pertain only to those relating to the commencement of construction for the South Phase of the Project (as identified in the EIS) and early mining works. In addition, we note the comments in Sections 2 and 4, and the consequential effects on the immediate and broader communities of influence, which were compounded by significant delays in obtaining the latter mining leases for the Project.

The township of Glenden continues to be the primary social and cultural area of influence for the Project. Over the last 12 months, Glenden has continued to experience the impacts of operational changes at Glencore Coal's Newlands Mine, the associated decline the town's population, and corollary effects on businesses and the provision of services.

Byerwen has worked collaboratively with the Glenden community and local industry since 2015, when the Glenden Development Industry Group (DIG) was established. Since that time, Byerwen, with the facilitation assistance of the Department of State Development, Mackay Isaac Whitsunday Regional Office, has convened the Glenden DIG approximately quarterly, with an open community forum held annually. In collaboration with the Glenden DIG, Byerwen has engaged regularly with IRC and the Member of Parliament around local and regional issues, the Project and impacts identified in the SIA.

The DIG forum's membership includes other mining companies, mine operators, IRC representatives, the school, local emergency services, local businesses and community groups. Independently chaired, the format of the DIG meetings allows for organisations and individuals to provide quarterly updates and raise any issues for discussion with participants. This open and participatory approach often leads to whole-of-forum approaches to issues or events, maximising resources to leverage outcomes for the benefit of the community. Byerwen is open to adapting management and mitigation strategies in order to address and facilitate positive outcomes for the community where possible.

A clear example of this approach is illustrated by efforts to facilitate an outcome to respond to the childcare crisis in Glenden, mostly impacting workers from the Newlands Mine. Industry worked together with IRC and the local community association to explore options to attract a childcare services operator to the town, including undertaking a needs survey and collaborating on a business case for national and local operators to review and consider. IRC is aware that fluctuating permanent population numbers have meant that some essential services are not sustainable, so are also exploring options for its local communities.

Stakeholders have reported directly to Byerwen personnel that the end of 2017 saw less families leave Glenden than in previous years, with a healthy enrolment of preparatory students, and enrolments into other years at primary and secondary levels. In that regard, it appears that permanent population numbers are stabilising. Services to the town continue to be limited, with the lack of neo-natal care an issue as a significant number of newborns had been born at the end of 2017, with more expected births in early 2018. Raised as a concern by the local medical practice at the last meeting in late October 2017, Byerwen responded by meeting with the Director of Nursing at Collinsville Hospital, who subsequently raised it with the appropriate person for the region within the Queensland Department of Health. This is again illustrative of the effectiveness of the DIG forum, the ability to leverage networks (Collinsville also has a DIG) and the proactive approach by Byerwen in responding to community concerns and issues.

Over the course of 2017, some local businesses continued operating on reduced hours and or closing over the slower months. However, as Byerwen workforce personnel numbers increased, more certainty flowed into the town and the town's businesses responded accordingly. Anecdotally it has been reported that many local businesses have benefitted from increased activity on Byerwen. However, Glenden is not the same town as identified during SIA consultations, and the stakeholder feedback provided regarding potential social impacts of the Project have changed focus. The discussions in Glenden are now about the Project supporting the town to be sustainable into the future, and of exploring economic diversification opportunities into emerging industries such as tourism. In relation to the potential project impacts included in the SIA, **Table 1** below provides a general update of local conditions.

**Table 1: Project Impacts and Current Status**

<b>SIA (Aug / Sept 2011)</b>	<b>Current Status (Jan 2018)</b>
Increased temporary and permanent housing and accommodation requirements	<p>The Project construction and early operations works has only required temporary housing, which has largely been fulfilled by existing available accommodation facilities in Glenden, at the Glenden Motel and through available private rental homes. Also see section 5.1.</p> <p>There continues to be vacant permanent housing stock in Glenden. However, Byerwen remains unable to access this housing stock for future needs and has implemented commitments to mitigate any possible future housing pressures on the town.</p>
Increased demand on existing social infrastructure, facilities and services as a result of population growth	<p>The Project has not had an impact on population growth, as project works to date have been undertaken by a temporary construction workforce. In addition, a future operational model is still being explored.</p> <p>Glenden continues to experience the effects of a decrease in population, and the anticipated demand on existing social infrastructure, facilities and services has not occurred. Byerwen and site personnel have utilised many of the existing facilities in town, including accommodation and recreational venues, and this has contributed to some of these venues remaining viable.</p> <p>In terms of services, particularly medical and emergency, Byerwen has engaged a paramedic service on site in order to mitigate any likely impact on local service providers.</p>
Road safety concerns due to increased traffic on local roads and highways	<p>Construction and early operations works have been undertaken in accordance with an approved Traffic Management Plan.</p> <p>Shift workers are now accommodated at the on-site accommodation village resulting in minimal increased traffic as a result of the Project.</p>

<b>SIA (Aug / Sept 2011)</b>	<b>Current Status (Jan 2018)</b>
Contribution to the regional skills shortage and the potential labour market drain into the mining industry	<p>There has been no skills shortage as a result of construction and early operational works. The Project continues to achieve both local and indigenous employment outcomes (see section 5.2).</p> <p>The number of job losses over the last few years across the industry has provided access to a highly skilled regional workforce and the Project has achieved an average of 50% local and regional workforce since August 2017 when activities on site ramped up.</p>
Health and safety concerns associated with commuting and shift work and the real or perceived deterioration of safety in Glenden	<p>Construction and early operation works have been successfully managed under Byerwen Coal's Safety and Health and Management System. Commuting has been kept to a minimum and community and public safety has not been compromised. Shift workers are now accommodated at the on-site accommodation village, minimising impacts on Glenden.</p>
Engagement with the local community	<p>Byerwen and contractor engagement with the local community has continued through the construction and early operations period. The Glenden community has been actively engaged in the DIG and community events, and the local economy has been positively impacted by Project activities to date.</p> <p>The newly appointed General Manager, Byerwen Mine was a previous resident of Glenden and has existing ties to the local and regional community, and regularly attends DIG meetings.</p> <p>The community has access to Byerwen personnel at all times through the Community Contact telephone number.</p>

The local community is regularly updated on the Project and project impacts through the local community newsletter, the DIG meetings and direct engagement with key community stakeholders and Byerwen. This has generated a direct and open dialogue between Byerwen and the local community and has given Byerwen community relations personnel good insight and oversight of the town and issues as they arise. This localised approach, and the size of the company, fosters opportunities for community concerns to influence internal decision-making and to adapt management strategies to the local environment.

Each of the key areas is addressed individually below.

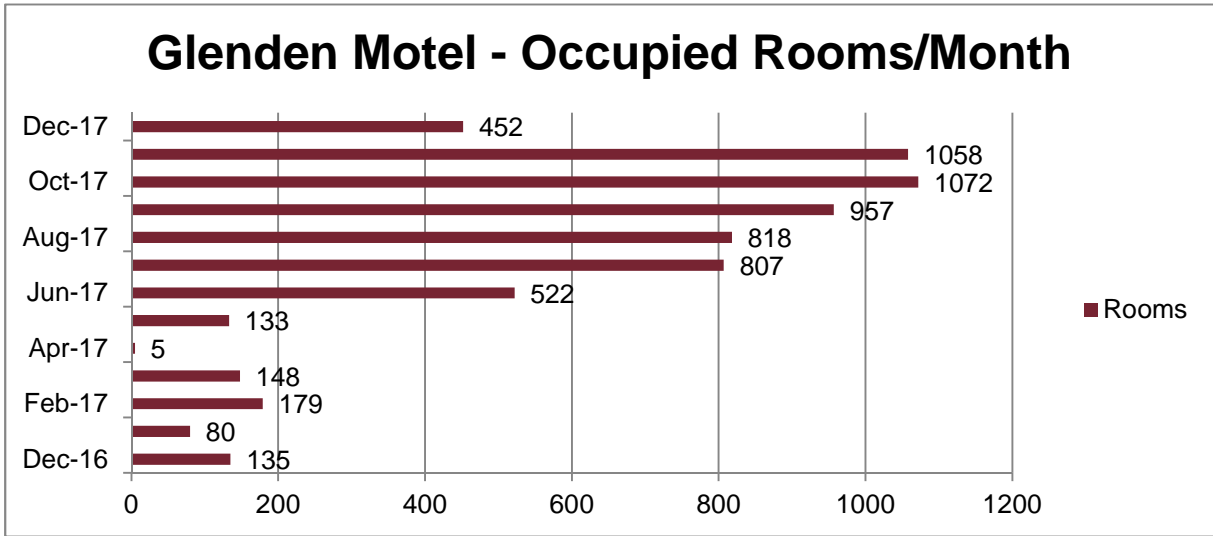
# 5.1 Housing and accommodation

The utilisation of existing social infrastructure and contribution to the community of Glenden have been the key drivers of Byerwen’s approach to housing and accommodation of the Project workforce personnel for the construction and initial mining operations.

Through 2017, Byerwen continued to utilise the Glenden Motel, the only available temporary accommodation facility in the town, to house its workforce and prior to the opening of the temporary on-site construction camp. As **Figure 1** below illustrates, peak occupancy from August through to December was significant for the facility, and overflow accommodation needs were also met locally at the Nebo Hotel. The Glenden Motel provided accommodation and meals to the workforce, and other facilities such as the Glenden Town and Country, the local café and the locally owned supermarket were also accessed for their food provision and supply services. Byerwen and its contractors have also accessed privately-owned vacant housing in Glenden for permanent workforce personnel. The ancillary economic impacts of a locally based temporary workforce have been positive for the town of Glenden, which otherwise has seen little growth over the last few years.

**Figure 1** below shows the number of occupied rooms at the Glenden Motel for the reporting period.

**Figure 1: Glenden Motel Occupancy**



Construction of the approved on-site, off-lease temporary camp on Wollombi Station began in August 2017, with workforce personnel commencing transitioning into the camp from December 2017. Byerwen has appointed Morris Corp as the camp operators. It is anticipated the camp will commence operations from late January 2018, and quickly attain maximum occupancy. Future projected workforce accommodation requirements are likely to continue to be met by the Glenden Motel. In addition, a Development Permit for a multiple

dwelling facility for a future operational workforce was made on 10 February 2017. This application is currently under consideration by IRC. This approach by Byerwen is in accordance with the mixed accommodation options set out in the Workforce Accommodation Strategy and provides choice for construction and operational workforce personnel.

In anticipation of housing and accommodation of an operational workforce, the percentage residential / DIDO / BIBO / FIFO workforce is as yet unknown as mining operations have only recently commenced and are not at capacity. Until such time as this has been determined, Byerwen will continue to implement the Workforce Accommodation Strategy for the construction period, and to consult and receive feedback from the IRC and local community regarding current and future impacts on the town of Glenden, and the region more broadly.

The Glenden Urban Design Master Plan has not been developed, as it is not required in the current environment where accommodation availability is not an issue. Where there are significant changes to the status quo, Byerwen will engage with IRC and the Glenden community to ensure the plan addresses and mitigates anticipated impacts.

Providing a permanent workforce with choice of attractive, locally based accommodation options will continue to be the main focus for Byerwen and as the Project transitions into a fully operational site.

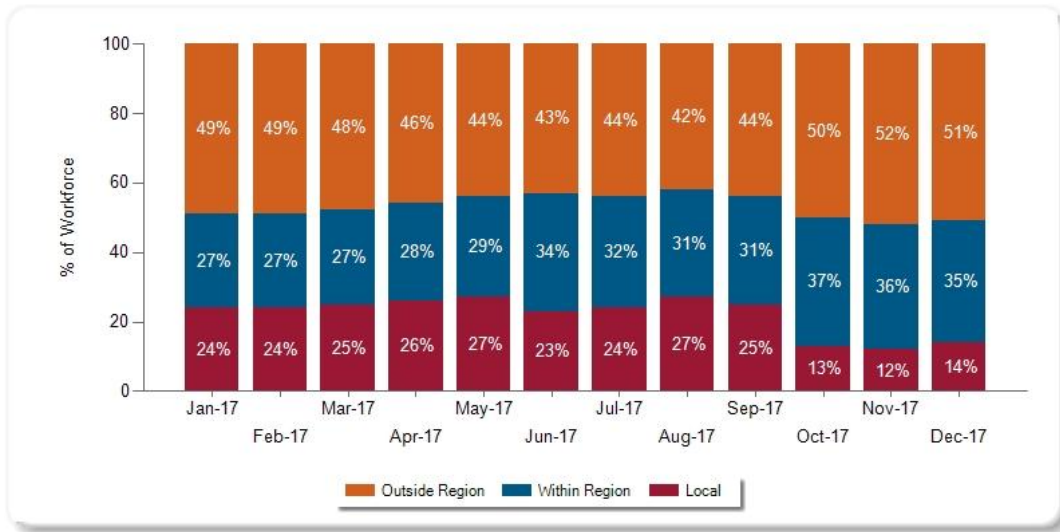
## **5.2 Workforce management**

Byerwen is committed to achieving local and regional employment outcomes on the Project. This is consistent with the QCoal Group's approach across all its projects in the Bowen Basin. Local employment, as a proportion of the workforce, is tracked and reported by all contractors on all QCoal Group mines on a monthly basis.

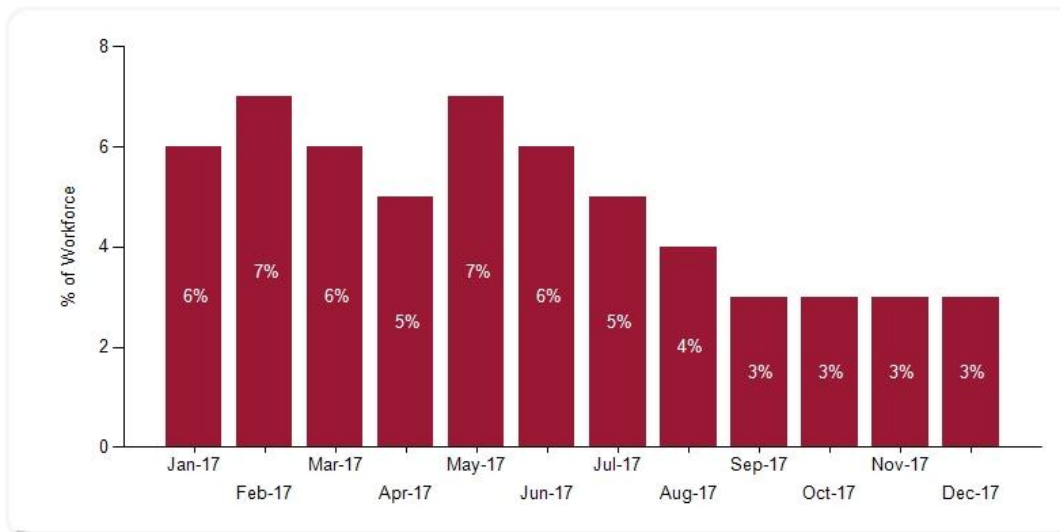
Currently across QCoal Group operations:

- over 50% of operational workforce live within the local region; and
- approximately 3% of the total workforce identifies as ATSI.

**Figure 2: Local Workforce % QCoal Group**



**Figure 3: ATSI Workforce % QCoal Group**



ATSI participation as a percentage across QCoal Group sites has dropped since the last reporting period. Rather than a reflection of the number of ATSI identified personnel participation reducing on our sites, this is more as a result of an increased workforce. QCoal has continued to deliver intensive pre-vocational and mentoring programs in conjunction with the Traditional Owners in order to build a pipeline of skilled and experienced personnel for the Project. An Indigenous Workforce Training and Employment Strategy is being developed to implement as construction completes and mining operations stabilise.

As an established mining town, the unemployment rate in Glenden continues to be lower than the Queensland average. Most residents have permanent local employment, whether in nearby mines, businesses or services, and the pool of available skilled labour remains limited.

Byerwen has utilised local and regional networks to promote business and employment opportunities for the Project, including through:

- ICN Gateway;
- ‘Meet the Buyer’ events facilitated by the QRC MoU to Increase Indigenous Participation in the Queensland Resources Sector partnership;
- Supplier Forum event and follow up liaison facilitated by the Mackay Isaac Whitsunday Regional Office of Regional Economic Development, Department of State Development;
- Bowen Basin Mining Club event;
- Glenden DIG forums; and
- through established networks.

All Project suppliers have submitted Local and Indigenous Participation Plans, which form part of their contractual obligations. Outcomes are reported monthly and assessed against industry averages and previous data to determine overall performance. Where there is opportunity for improved outcomes for the Project, Byerwen engages directly with supplier procurement and HR teams to develop and implement strategies aimed at increasing local and indigenous participation. Direct engagement between suppliers and the local community are facilitated through the quarterly DIG meetings, and by a local presence of senior management. Further, regular Project information and opportunities were notified through monthly local newsletters. Overall the Project has delivered:

- from July to December 2017 when the Project recommenced construction activities, the Project delivered an average of 40% local and regional employment, including the DIDO workforce; and
- for the twelve-month period from January to December 2017, an average of 3.8% ATSI identified personnel employment outcomes.

Future operational workforce numbers have yet to be determined as the Project has only recently commenced mining activities.

### **FIFO Workforce Approach and Management**

In the context of Glenden as a town established to service the Newlands Mine, most residents are employed by Glencore Coal. As noted above, Byerwen’s approach is to provide choice for workforce personnel, as well as being actively committed to providing employment opportunities locally and to the wider region.

To date, the Project and its contractors have been able to combine a DIDO/FIFO construction and initial operations workforce with local employment



and indigenous employment outcomes. Local employment recruitment initiatives were implemented, allowing for skilled workers within the region to be employed on the Project. The figures for the month of December 2017 indicate that our local and regional (Isaac Regional Council, Whitsunday Regional Council and Mackay Regional Council areas) workforce is currently sitting at approximately 40% of total Project personnel, which is approximately 470 persons. This is reflective of specialist skillsets required for aspects of current construction activities (TLO, CHPP). Byerwen has also received feedback from contractors that it is becoming increasingly difficult to retain regionally-based skilled personnel due to increased activity in the mining sector in Central Queensland, and a corollary increased competition in the labour market. Access to skilled regional candidates over recent months has definitely impacted achieving better results for the Project and will be addressed into 2018.

The DIDO/FIFO workers were accommodated at the Glenden Motel for approximately 3:1 swings, depending on weather and the construction program and initial mining activities. The increase in the town's population due to the Byerwen workforce continues to be rigorously monitored by the company and its contractors. The feedback from the Glenden community gathered at the Glenden DIG forums, local suppliers and businesses (see section 5.4) in respect of the DIDO / FIFO workforce continues to be positive. Workers:

- continued to support local businesses, particularly food supply and service business, and contributed to the sustainability of the local economy;
- frequented local sporting facilities (see section 5.3);
- participated in community events, including DIG and local fundraising initiatives; and
- continued to be respectful of the community's values and the importance of safety to the town.

In that regard, the presence of a DIDO / FIFO workforce has been well managed by Byerwen and its contractors and has had a positive impact in a town that has struggled in the face of a general downturn in the industry over the last five years.

With the opening of the temporary construction camp on Wollombi Station, the Project workforce will be accommodated away from the town and any associated social impacts further mitigated. However, workers continue to frequent town for supplies and services and it is anticipated that the relocation of the workforce will not impact local businesses.

As Byerwen moves into completion of current construction projects and the operational workforce stabilises, the percentage residential / DIDO / BIBO / FIFO workforce will become clearer and managed in accordance with the

Workforce Management Strategy. Byerwen will also continue to engage with the local Glenden community to closely monitor impacts of the Project workforce and ensure that there are positive outcomes for the local business and the community as a result of the workforce presence.

## 5.3 Health and community wellbeing

Byerwen is committed to working together with the Glenden and broader communities, local and state governments, and industry to strengthen the communities in which we operate, and to mitigate any negative impacts that our operations may have on community safety and amenity.

Through the SIA consultation, the Glenden community identified the need to maintain three key community values:

- a distinct community identity;
- a cohesive and stable community with a strong sense of community;  
and
- to maintain a rural lifestyle highly valued by residents.

The Glenden DIG and the DIG charter continues to administer the Glenden community's values for the town and informs Byerwen's engagement and participation approach with the community. The Glenden community nominated the following values as of most importance to them:

- Community spirit
- Connectivity
- Safety and Environment
- Sustainability employment/business development opportunities.

Through regular and continuous local engagement (see section 5.4), Byerwen and its contractors have continued observe these values, and manage any Project impacts proactively. Byerwen has focused resources supporting the maintenance of these important values and the community of Glenden through its social investment initiatives, and by encouraging the Project workforce to actively participate in community activities, using community sporting and other facilities and supporting local businesses.

The Glenden DIGs and annual community forum are an important focus for Byerwen to gather information, hear community concerns and identify community-led initiatives to facilitate the realisation of programs or projects that foster positive community involvement and improve liveability.

Community investment initiatives and grant schemes are managed through the QCoal Foundation, which has been established to support a range of community-led initiatives focused on three broad support areas of Health, Liveability and Education.

Since 2008, the QCoal Foundation has delivered more than \$1,100,000 in community grants through the Community Grants Program. In Glenden, the QCoal Foundation has supported local fundraising events, including for the Glenden State School. The QCoal Foundation will continue to expand the Community Grants Program as the Project is developed.

Education grants are made by way of the QCoal Foundation Scholarship for a first year James Cook University Students and a bursary program for the Native Title Holders for the area of the South Phase. Two QCoal Foundation Scholarships have been awarded since 2016, with the inaugural award to a student who had previously attended Glenden State School. Each scholarship is for a value of up to \$30,000 over three years, with application closing for 2018 at the end of January 2018.

The indigenous bursary program has been in place since 2012, during which time over 65 community members benefitting from a range of certificate, TAFE and higher education support, achieving a range of outcomes including:

- numerous university and TAFE graduates;
- assisting women and return to work mothers to gain qualifications for re-entry into the workforce; and
- over 40 men and women being supported through various certificate and training programs to gain entry qualifications for work on mine sites. As a direct result of this collaborate initiative, over 13 participants secured full-time employment at our Northern Hub operations, with some of these personnel transitioning onto the Project construction and operations workforce. In addition, this support has facilitated indigenous candidates to work on other mine sites and gain meaningful long-term employment.

More broadly, the QCoal Group is a principal sponsor of the Queensland Royal Flying Doctor Service (RFDS), which is helping to address the increasing demand for quality health care services in regional and remote areas. In addition, the QCoal Foundation has recently transitioned the QCoal Community Dental Service – a mobile dental health unit delivering quality oral care to towns throughout rural and remote Queensland - to the RFDS. This innovative QCoal Foundation initiative built a successful and sustainable mobile health delivery model that received Federal Government funding for the RFDS to continue to provide services to those communities, including QCoal Group communities.

Byerwen continues to provide its workforce and their families with access to a range of support services to promote workforce health and wellbeing, including

access to a corporate health plan. Our contractors have been important supporters and partners in workforce health and wellbeing initiatives, actively promoting personnel to use the town sporting facilities, including swimming pool, gym and squash courts through fully subsidised visits. The on-site camp has a gym, outdoor recreation areas and a walking track has been purpose designed and built to encourage workforce personnel to walk from the camp to on-site offices. Mental health continues to be a closely monitored issue, with site contractors and Morris Corp placing an emphasis to check in regularly with the workforce. On site initiatives such as a walking group, a 'biggest loser' group healthy eating initiative and other social events are used in conjunction with mandatory toolbox talks as way of monitoring workforce health and wellbeing.

Through the continued implementation of our Safety and Health Management System, Byerwen will ensure all contractors engage the workforce through effective and thorough induction processes, and regular toolbox talks to promote our expectations and recommendations for a range of practices including work operations, road safety, fatigue management, health, wellbeing and personal conduct.

Safety and respect for the Glenden community's values, and QCoal Group's values, will continue to drive the business into the future.

## 5.4 Community and stakeholder engagement

The QCoal Group acknowledges that our relationships with the communities in which we operate, and our stakeholders, are of fundamental importance to sustainable long-term operations and the business as a whole.

At its Northern Hub operations, the QCoal Group has developed and implemented a comprehensive stakeholder engagement program which has facilitated the establishment of a positive relationship with the local Collinsville community since the Sonoma Mine began construction in late 2006. Through innovative community-led and participatory engagement opportunities, the QCoal Group enjoys strong community support and reputation for delivering positive and beneficial outcomes. It is this experience and history that has framed the community and stakeholder engagement and approach for the Project.

Byerwen has played a key role in establishing the Development and Industry Group (**DIG**) model in Collinsville, and subsequently in Glenden. DIG is a membership group of community, industry and government representatives selected through a nomination process. The Glenden DIG aims to identify community priorities and objectives and to work collaboratively to promote and achieve these objectives. The Mackay Isaac Whitsunday Regional Office of Regional Economic Development, Department of State Development, coordinates the Glenden DIG, which is independently chaired under an agreed charter, and maintains the secretariat function. The Glenden DIG meets quarterly, including the annual open community forum, and held its first meeting

in April 2015. Outside the DIG forum, community relations personnel maintain regular contact with key local representatives, business owners and state agencies throughout the year, and manage the Community Concern system.

**Table 2: Engagement Activities**

<b>Engagement</b>	<b>Stakeholders</b>	<b>Activity in 2017</b>
<b>Glenden DIG</b>	Community groups and individuals, Local and State Government, industry representatives, local business owners	Quarterly meetings and open community forum with three meetings held in the reporting period
<b>Industry briefings</b>	Government, local suppliers and businesses	Supply Forum facilitated by the Mackay Isaac Whitsunday Regional Office of Regional Economic Development, Department of State Development; address to the Bowen Basin Mining Club; participation in the QRC 'Meet the Buyer' forum for Indigenous-owned businesses; and participation in various other QRC forums and initiatives
<b>Local and State Government</b>	Local and State governments	Regular meetings held with Local and State government representatives throughout the year
<b>Site tours</b>	Government, joint venture partners and customers	Several site visits were conducted during the reporting period
<b>Cultural Heritage Committee</b>	Indigenous stakeholders	Quarterly meetings including regular updates on status of project and employment and business opportunities
<b>Contractor meetings</b>	Industry and local community	Regular meetings with contractors regarding local economic participation opportunities. Introduction of contractor to local community through DIG forum, Supplier Forum and industry events
<b>Local Landholder Advisors</b>	Affected landholders and agistees	Regular meetings held with landholders and agistees throughout the year
<b>Glenden Pipeline</b>	All stakeholders	Contribution to monthly newsletter

Engagement	Stakeholders	Activity in 2017
<b>Community Concern Number</b>	All stakeholders	Number well publicised No calls received
<b>Online</b>	All stakeholders	Due to issues with our Google Analytics, we have no data on unique visitors to the QCoal website. However, over 200 direct emails were received through the website contact page from potential suppliers and jobseekers

## 5.5 Local business and industry content

The QCoal Group is committed to maximising local participation in all aspects of project development and operations. Contractors have been appointed based on capability, value proposition, ability to meet required standards and a demonstrated commitment to QCoal's philosophy of supporting local communities and businesses where possible.

Our contractors also give preference to suppliers of Australian-manufactured equipment that is competitively priced and complies with the relevant standards and specifications.

Byerwen has engaged significantly with the Mackay Isaac Whitsunday Regional Office of Regional Economic Development, Department of State Development, on local supplier initiatives and contact for local suppliers to maximise opportunities for local and regional participation through the supply chain. See section 5.2.

Local spend data is tracked and reported to senior management on a monthly basis for all QCoal Group projects.

For the reporting period, and in relation to construction activities and initial operations which commenced in July 2017, Byerwen and its contractors were able to create local subcontracting opportunities and maximise the use of local suppliers for the Project. These targeted initiatives resulted in the three main contractors on site achieving 38% regional supply in their supply chains between July and December 2017. These figures include local business and supply participation in the Project, as well as generally expenditure in the local area, depending on the size and scope of the contract.

More broadly, the Project has achieved over 76% supply from Queensland-based businesses. For the size of the Project, and the relatively short period of

six months since the commencement of construction and initial operations for South Phase 2, this is a strong result for Byerwen and its contractors.

Byerwen Coal has maintained comprehensive networks with local suppliers and will continue to engage with potential and successful contractors on local participation initiatives as operations continue into the future.