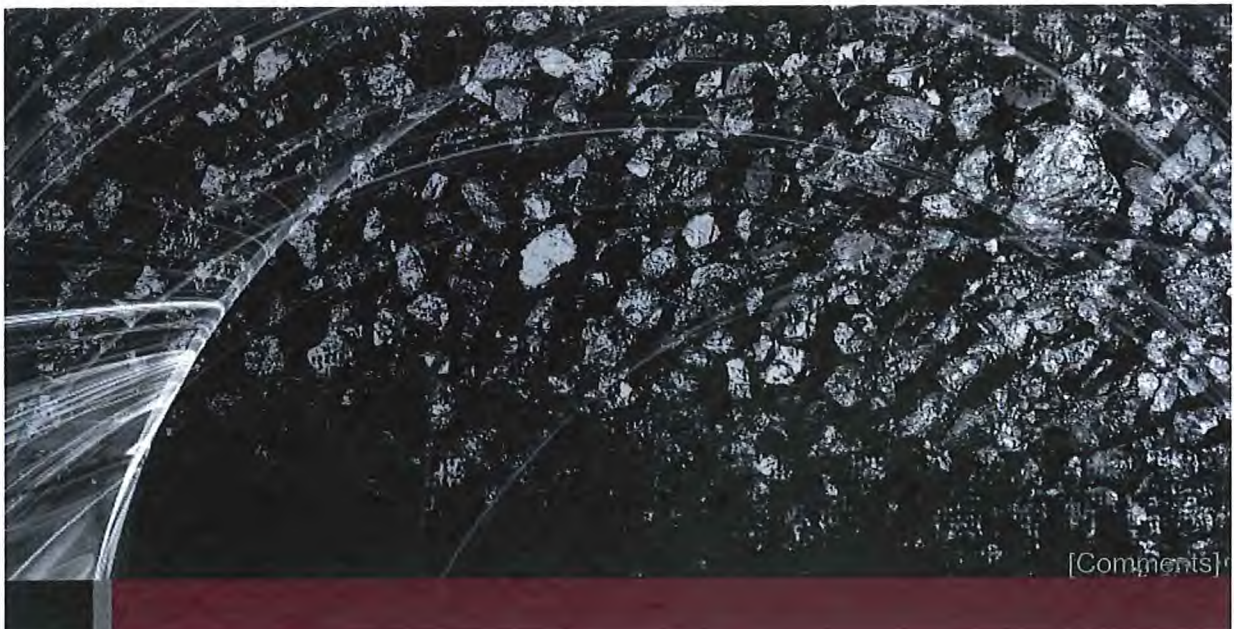




Byerwen Coal Project

2018 Annual Report to Coordinator General





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1 Introduction

In compliance with the Queensland Coordinator General's approval conditions, Byerwen Coal (Byerwen) is pleased to provide this third annual progress report on the Social Impact Assessment Action Plan (SIAAP) and management of social impacts for the Byerwen Project (the Project). The reporting period is for twelve months from 17 December 2016 to 16 December 2018.

The report details progress on the SIAAP; Project impacts to date and initiatives to mitigate any identified negative impacts; and stakeholder engagement activities. The report also describes the Project's continued contribution to the local community and the region more broadly during the reporting period. Stability in the coal market during 2018 has driven growth across the industry generally and provided a consistent demand for the supply of goods and services locally for the Project.

Byerwen is committed to driving economically, environmentally and socially responsible operations. The QCoal Group's values of safety and environment, integrity, innovation, trust and pragmatism govern 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 business' assets into the future.

2 About Byerwen Coal

Byerwen Coal Pty Ltd is a joint venture between QCoal Pty Ltd (85%) (QCoal) and JFE Steel (15%).

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 is railed to Abbot Point Coal Terminal for export.

Since approvals in 2014, and grant of the first 3 mining leases by 2017, the Project has moved through to completion of the first stages of construction and mining operations for the South Phase in accordance with the mine plan and approvals.

Four leases remain in application for the North Phase, and Byerwen has progressed these through the required statutory approvals process. A decision of the Land Court of Queensland on landholder compensation was handed down in December 2018.

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 experienced a significant and extended downturn, which impacted many coal mining communities throughout Queensland. While market conditions have improved stabilised over the last twelve months, the pressure on the Project's host community have not materialised as anticipated, and the environmental context at the time the SIA was developed continues to be somewhat disconnected to the present. Glenden continues to experience the same issues as in the previous reporting period, particularly in relation to lack of childcare and sustainability of local businesses. However, priorities may again shift for residents as Glencore commences relocation of their workforce personnel and families from other mine sites into the town.

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 seven years, 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 these leases has facilitated the development of the South Phase as per Project approvals. The grant of the remaining mining leases for the North Phase have been progressed through the relevant statutory processes.

During 2018, Byerwen continued construction activities for the completion of infrastructure across the site, including:

- Civil works
- Various water infrastructure facilities
- Internal haul roads and light vehicle access
- Construction and commissioning of the 4mtpa ROM CHPP
- Completion and commissioning of the Train Load Out facility
- Establishment of quarrying facilities

Operational mining activities in 2018 saw:

- Initial box cut and commencement of product mining;
- Ramping up of mining activities to 5mtpa of Project coal to date;
- Ramping up of fleet operations to full complement at capacity, operating 24 hours per day.
- Steady mining to meet capacity of 4mtpa ROM CHPP plus bypass.

During peak construction and operations for the reporting period, there were approximately 660 people working on the Project. This number includes 'off-swing' operational workforce crews and does not reflect the actual workforce number on site at any one time. The majority of the workforce was accommodated in the on-site camp facility, with overflow into Glenden in houses secured by Byerwen Coal and the Glenden Motel.

Plans are in place to expand mining activities on the southern mining lease, and a contract has been awarded for the engineering, procurement and construction of the second CHPP on site. This is anticipated to be completed in early 2020.

4 Economic impact assessment

As demand for Queensland coal continues, the Project aims to capitalise on established markets and clients, mainly Asian steel mills, and continue to supply high quality coking and thermal coal internationally. 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 made a demonstrated economic impact to the region during a downward market, and continues to have the potential to become a long-term contributor to future regional sustainability, by ensuring 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 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 market conditions. QCoal Groups' mining communities only started to experience an upward trend in the second half of 2017, due in part to a more buoyant coal market and the ability of QCoal Groups' assets to continue with significant investment in consolidation and expansion plans to support existing and future operations. 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, as highlighted in previous reports. Information in those documents continues to lack some 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 and completed construction of initial aspects of the South Phase in accordance with the approvals and mine plans; and
- ramped up initial mining activities to full mining operations to 5mtpa of product coal.

As the Project moves into South Phase expansion, which includes additional construction of mining facilities and opening and mining of a second pit, impacts identified in the SIAAP will continue to emerge. Impacts identified in this annual report pertain only to those relating to completion of initial mine construction and operations for the first stage of the South Phase (as identified in the EIS). 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 impacts associated with operational changes at Glencore Coal's Newlands Mine. With the acquisition by Glencore Coal of the Hail Creek Mine, impacts on the town's population, businesses and the provision of services will also continue to evolve, particularly as more families are encouraged to move into town. More broadly, in addition to the Project, the Newlands Mine and Hail Creek Mine, the proposed Hillalong Coal Mine is currently being progressed through an EIS process. In that regard, impacts on the town of Glenden moving forward should be considered as potentially a consequence of multiple operations within the immediate vicinity. IRC has advised that it was adopting a proactive watching brief to the changing regional dynamics and would be appointing a Land Advisory Committee for that purpose.

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 collaboration on issues or local events, maximising available resources to leverage outcomes that benefit 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 the continued efforts by all the Glenden DIG members to facilitate an outcome in response to the continued childcare crisis in Glenden, mostly impacting workers from the Newlands Mine. The Glenden DIG and industry worked together with IRC and the local community association to explore further options to attract a childcare services operator to the town. IRC conducted a public EoI process calling for operators for the Glenden Day Care Centre, which was not successful. The QCoal Foundation awarded the Glenden Community Group a Community Spirit Grant, which co-funded with Glencore allowed the engagement of a consultant to prepare a business case for the childcare centre. This document has informed a better understanding of what is required to run a sustainable centre operation and will be used for future funding applications. The Glenden Community Group has applied to IRC for a community grant for the childcare centre, the outcome of which is not yet known. In the interim, childcare remains a critical issue and one which all stakeholders in the area are acutely aware of.

The Glenden DIG forum continues to respond to the priorities and needs of the community. It remains a community-led, participatory and collaborative forum which works with available resources and networks to leverage positive outcomes for the town and its residents where possible.

At the last Glenden DIG in November 2019, the Glenden State School Principal indicated that enrolment numbers were better than in previous years, with a total school population at approximately 120. The forum was also advised that there had been a number of mid-year new starters and inquiries from a few new families, who were attracted to the school by the smaller class sizes and to the town for the affordable rental market.

In addition, information presented at the most recent Glenden DIG indicates there are families relocating to town. Although numbers are not known, the first Glenden DIG meeting of 2019 should provide better insight. Byerwen has secured a number of local houses, which accommodate permanent site personnel and camp overflow. Providing choice to personnel has seen two families move into town and other site personnel move permanently into town houses. Further, a number of Glencore houses have been removed from available stock and are undergoing refurbishment, perhaps an indication of an intention to settle more personnel and their families into Glenden.

Over the course of 2018, some local businesses continued operating on reduced hours and or closing over the slower months. However, Byerwen and its contractors continue to support many locally owned and operated business through the supply chain, from mechanical, property maintenance and other services, to supply of hardware and materials where possible. The new camp operators and Byerwen have jointly approached the local bakery to extend its operations to supply the camps' daily bread and bakery items. This proposal is still with the local residents who own and operate the town's bakery. However, it is a good example of the Project working collaboratively with site contractors to respond positively to local business concerns for sustainability; drive initiatives for the participation of Glenden businesses in the supply chain; and provide opportunities where possible. In that regard, local businesses continue to benefit from the sustained activity on Byerwen and the Project continues to monitor local supply spend across all site contractors.

The focus for Glenden residents continues to be sustainability, particularly of critical services like childcare, of local businesses and of the permanent population generally. In that regard, Glenden has not returned to the town it was during the height of the coal mining sector, and at the time the SIA was conducted. Residents and stakeholders, particularly with support and assistance of IRC, continue to explore how to attract more families to the town and economic diversification opportunities. With the potential to attract more residents to the town through increased mining activity in the vicinity of Glenden, the Glenden DIG will be working on the 'Designing a Future for Glenden' strategy into 2019. 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

SIA (Aug / Sept 2011)	Current Status (Jan 2019)
<p>Increased temporary and permanent housing and accommodation requirements</p>	<p>The Project has continued construction works on site and moved to capacity operations. Currently there is a mix of housing options for site personnel, including on-site camp and secured housing in Glenden. With most site personnel accommodated at camp, with some permanent personnel and camp overflow going into the secured Glenden houses, all needs have largely been met by existing available accommodation in Glenden. Also see section 5.1.</p> <p>Byerwen has secured privately available housing stock and continues to progress the application for development of a mixed-housing facility in the town. This mixed housing and accommodation strategy has not impacted the current town housing stock and aims to mitigate any possible future housing pressures on the town.</p>
<p>Increased demand on existing social infrastructure, facilities and services as a result of population growth</p>	<p>The Project has not had an impact on population growth, even where Project activities have transitioned from construction to mining operations. The mix of a permanent operations and temporary construction workforce have not increased service demands on the town and site has established infrastructure and services to alleviate any potential for stress on local services.</p> <p>Glenden continues to experience the effects of a decrease from peak resident numbers, 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>
<p>Road safety concerns due to increased traffic on local roads and highways</p>	<p>Construction and mining operation works have not significantly increased traffic levels.</p>
<p>Contribution to the regional skills shortage and the potential labour market drain into the mining industry</p>	<p>This reporting period has seen some shortage of trades for specific construction projects, such as the build and commission of the CHPP, and there is an increased demand of experienced</p>

	<p>personnel in the industry and region generally due to the increased activity in coal mining. However, the Project continues to achieve both local, regional and indigenous employment outcomes (see section 5.2).</p> <p>The Project continued to achieve an average of 50% local and regional employment on adjusted permanent workforce figures throughout the reporting period.</p>
<p>Health and safety concerns associated with commuting and shift work and the real or perceived deterioration of safety in Glenden</p>	<p>All continuing construction and mining operations 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. Most operations and construction workers are now accommodated at the on-site accommodation village, minimising impacts on Glenden.</p>
<p>Engagement with the local community</p>	<p>Byerwen and contractor engagement with the local community has continued through the continuing construction and mining operations. The Glenden community has been actively engaged through the DIG and community events, and the Project continues to contribute to the local economy.</p> <p>The General Manager, Byerwen Mine, a previous resident of Glenden and a resident of the local region regularly attends DIG meetings to maintain local relationships and is largely responsible for driving economic participation initiatives for local businesses.</p> <p>The community has access to Byerwen personnel at all times through the Community Contact telephone number. There were no complaints and or grievances reported through the Community Contact telephone number during the reporting period.</p>

The local community is 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 personnel good insight and oversight of the town and issues as they arise. This localised approach, and the size of the company, continues to foster opportunities for the change in community priorities, emerging issues and or opportunities to influence internal decision-making and to adapt mitigation and 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 providing choice of housing and accommodation for Project personnel during continued construction and ramp up to capacity and stable mining operations.

Through 2018, Byerwen maximised the use of the temporary on-site accommodation facility to house both the temporary construction and permanent operations workforce. In addition, Byerwen secured access to approximately ten houses in the town of Glenden, which have been used as overflow for the onsite camp and the permanent housing of site personnel, including a family with children enrolled in the local school. From 2019, another family will relocate to the town and take up one of the houses on a permanent basis.

The relocation of Project personnel to permanent housing in Glenden is likely to have a positive social impact on the town. The strategy to provide permanent workforce personnel with choice, the establishment of mixed accommodation options and the future development of an accommodation facility in should add to the fabric of the Glenden community and go some way towards addressing the community's priority of attracting families to the town. The ancillary impacts of locally based permanent workforce personnel on local businesses, the school and services generally are anticipated to be positive for the town of Glenden, which has started to see growth in population numbers during 2018 as opposed to the decline of previous years.

The on-site, off-lease temporary workers camp on Wollombi Station, the Brolga Village, was utilised in 2018. The Development Application for a multiple dwelling facility is still currently progressing through the approval process with 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.

The collection and analysis of a full year of workforce data has provided the Project with some good insight into the percentage of residential, local and regional workforce, which is discussed in more detail below. These figures can be loosely correlated into a percentage residential / DIDO / BIBO and FIFO workforce.

On adjusted figures (excluding the temporary CHPP construction workforce), the total local and regional workforce is 50%. Of this, the following can be assumed:

- 1% residential (Glenden);
- 49% within region / DIDO (IRC, MRC, WRC); and
- 50% outside region / DIDO and FIFO.

Workforce data suggests many workers living outside the region are DIDO workers. These workforce personnel predominantly reside in the broader regions, located outside the local government areas used to define within region (see above), and nearly all are Queensland residents. The business and its contractors are committed to retaining a local and regional workforce, and this strategy has resulted in a predominantly regionally based DIDO workforce.

Byerwen will continue to implement the Workforce Accommodation Strategy for the construction of the second CHPP and continued stable mining operations, 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 in 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 moves into the next stage of the South Phase expansion and operations.

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 (include temporary construction personnel for works on Northern Hub and Byerwen):

- 50% of workforce personnel live locally and within the region; and
- 5% of the total workforce identifies as ATSI (51 personnel).

Figure 1: Local Workforce % QCoal Group

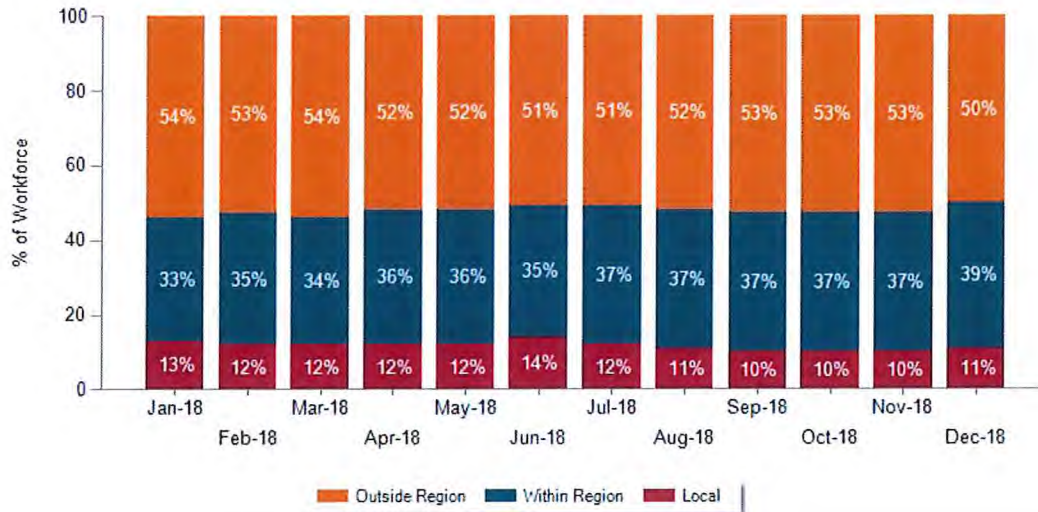
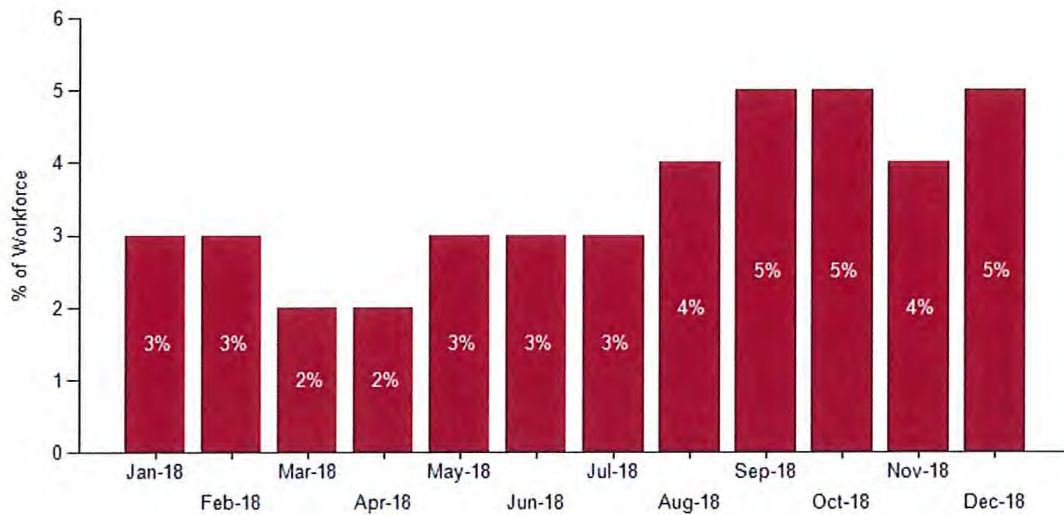


Figure 2: ATSI Workforce % QCoal Group



ATSI participation as a percentage across QCoal Group sites has increased significantly as a number of total workforce personnel since the last reporting period. On adjusted workforce figures (excluding temporary construction workforce) this represent 5% of the permanent operational workforce, which is an increase in 2% from the last reporting period, above the industry average of 4% (ABS Mining Qld) and above national parity.

Throughout the reporting period, QCoal continued to work closely with its Traditional Owner stakeholders to deliver and facilitate intensive pre-vocational training, site required certification courses and mentoring programs to consolidate experienced personnel in operational roles; build a pipeline of skilled personnel; and identify suitable candidates for trainee and 'greenskin' roles on the Project. This investment in capacity-building and training has resulted in 19 people obtaining permanent full-time roles, either on the Project or elsewhere.

An Indigenous Workforce Training and Employment Strategy has been developed and implemented across the Project with all relevant stakeholders. The Project numbers equally reflect the success of the strategy, with 31 ATSI identified permanent workforce personnel across operational and facilities maintenance roles. This translates to 5% of total permanent workforce. The strategy remains fluid and responsive to the availability of suitably qualified ATSI personnel, and the labour force requirements of site contractors. The priority moving forward is to maintain the current levels; increase cultural competency across the site, particularly at supervision and management levels; ensure that opportunities continue to be afforded to Traditional Owners and ATSI personnel through appropriate notification processes; and that professional development pathways are created to allow progression of current personnel into more senior positions where appropriate.

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 established nearby mines, businesses or services. As a consequence, the pool of available skilled local labour remains limited.

Including the temporary construction workforce for the CHPP, which has required extensive specialist trades and services, the following provides a breakdown of the average workforce composition for the Project:

- Local 1% (Glenden residents);
- Regional 39% (IRC, Mackay Regional Council, Whitsunday Regional Council
- Outside region 60% (all other postcodes).

As noted previously, the adjusted percentage of permanent workforce personnel is 50% local and regional, and 50% outside region.

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

- 'Meet the Buyer' events facilitated by the QRC MoU to Increase Indigenous Participation in the Queensland Resources Sector partnership;

- Membership of and participation in Queensland Resource Council (QRC) committees;
- Continued participation in events facilitated by the Mackay Isaac Whitsunday Regional Office of Regional Economic Development, Department of State Development, such as the Queensland Mining & Engineering Exhibition;
- Bowen Basin Mining Club events;
- Glenden DIG forums; and
- through established networks.

2018 saw Hayden Leary, GM Environment and Risk, join the Queensland Resources Council board and QCoal also joined the board of the Australian Coal Research Ltd, overseeing the Australian Coal Industry's Research Program.

All Project suppliers have submitted Local and Indigenous Participation Plans, which form part of their contractual obligations. Outcomes are reported monthly and assessed against previous months, years and industry averages 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, by a local presence of senior management and through direct contractor meetings on a quarterly basis. Further, regular Project information and opportunities continued to be notified through monthly local newsletters where appropriate.

Future capacity operational workforce numbers have yet to be determined as the Project moves into second stage expansion of South Phase in 2019.

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 operations workforce with local employment and indigenous employment outcomes. Local employment recruitment initiatives were implemented, allowing for skilled workers within the immediate and broader regions to be employed on the Project. The figures for the month of December 2018 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, or a total of 647 persons. This is reflective of specialist skillsets required for aspects of current construction activities, being the completion and commissioning of the first CHPP, throughout the reporting period. With the announcement of the contract award for the second CHPP into 2019, and the continued stable mining operations, this is expected to result in a similar workforce profile.

Byerwen continues to experience some of the impact of increased activity in mining generally in Queensland, with contractors expressing some difficulty in recruiting and retaining regionally-based skilled personnel. That being said, most of the operational workforce numbers and personnel have stabilised, with retention improving across the Project.

The DIDO / FIFO workers have been largely accommodated in the off-lease on-site temporary camp facility, with overflow into secured Glenden housing (see above). The ability to house workers on site has mitigated any anticipated pressures on the town's population and infrastructure. This has been balanced by offering choice for permanent workforce to live in Glenden, thereby contributing to the social, cultural and economic sustainability of the town. With the proposed development of an additional multi-use residential facility in town for permanent workforce personnel, it is anticipated that more site personnel may choose to live in Glenden. In that regard, concerns from local residents that an on-site accommodation facility reduces the potential positive impacts of an increased population, should be alleviated. This management strategy will continue to be rigorously monitored by the company and its contractors.

During the reporting period, there was a reduced presence of workforce personnel in the town as the on-site accommodation facility was used to capacity. That being said, the ability to secure houses in Glenden and offer choice to permanent workforce personnel, has encouraged people to settle into the town permanently and or for roster periods. Generally, the presence of workforce personnel in town has largely been positive, with

- continued support for local businesses and services, contributing to the sustainability of the local economy; and
- participation in community events, including DIG and local fundraising initiatives.

All Project personnel living and or visiting Glenden, continue to be respectful of the community's values and understand the importance of safety to the town.

During the reporting period, the presence of a DIDO / FIFO workforce has continued to be well managed by Byerwen and its contractors and has had a positive impact on Glenden, which is slowly recovering from the effects of general downturn in the industry over the last five years.

The priority for the Byerwen moving forward will be to find a balance for the management of the predominantly DIDO workforce to ensure that the resident and permanent workforce personnel living in town continue to contribute positively to Glenden and the town can become more sustainable into the future.

As Byerwen moves into a new stage of construction and expanded operations, the residential / DIDO / FIFO workforce will continue to be 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 on the town, and that positive outcomes for local business and the community are maintained 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 participate in community activities and supporting local businesses.

The Glenden DIGs and annual community forum continue to be 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 \$1,000,000 in community grants through the Community Grants Program. In Glenden, the QCoal Foundation has supported local fundraising events, co-supported investment for the commissioning of a business case for the child care centre and supported education grants. The QCoal Foundation will continue to expand the Community Grants Program as the Project moves into the next phase and in response to community identified priorities and initiatives.

Education grants are made by way of the QCoal Foundation Scholarship for James Cook University Students and a bursary program for the Native Title Holders for the area of the South Phase. Three QCoal Foundation Scholarships have been awarded since 2016, with recipients generally being within the region. Each scholarship is for a value of up to \$30,000 over three years, with the program currently at capacity, supporting students in science-based studies.

The indigenous bursary program has been in place since 2012, during which time over 80 community members benefitting from a range of pre-vocational, certificate, TAFE and higher education support, achieving a range of outcomes including:

- numerous university and TAFE graduates;
- assisting long-term unemployed and women and return to work; and
- over 50 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, a number of participants secured full-time employment across QCoal operations. In addition, this support has facilitated indigenous candidates to work on other mine sites and gain meaningful long-term employment (see 5.2 above).

More broadly, the QCoal Group remains a principal sponsor of the Royal Flying Doctor Service (Queensland)(RFDS), which is helping to address the increasing demand for quality health care services in regional and remote areas.

In 2018 the QCoal Foundation also commenced its partnership with the Financial Basics Foundation (FBF). The FBF is aimed at improving financial resilience for Queenslanders, with a particular focus on those living in rural and remote communities. Younger people are typically more likely to experience severe financial stress than older people and financial stress is a key factor in many areas of mental health, family violence and poverty across Australia. Research also supports the view that the Australian population is most vulnerable in the area of financial knowledge and behaviour, with almost half of the population identifying themselves as having low to very low financial knowledge. The deficit in financial literacy is widespread and is an issue in both metropolitan and regional communities, making building financially resilient communities a critical area of need.

FBF provides free financial literacy resources to teachers and schools around Australia to achieve the vision of every young Australian having the knowledge and skills to enable them to make informed financial choices. The QCoal Foundation supports and wants to ensure will also be made possible in areas outside of metropolitan centres and is supporting FBF roll out initiatives in North Queensland. Through this new partnership, FBF and the QCoal Foundation will work together to better understand the financial literacy deficit in rural and remote communities and investigate effective and innovative ways to address this need.

In recognition of the programs and initiatives it has supported over the years, in 2018 the QCoal Foundation was awarded the Queensland Community Foundation Corporate Philanthropist of the Year.

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. The on-site camp has a fully equipped 24hr gym, outdoor recreation areas and a purpose designed walking track 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 placing an emphasis to check in regularly with the workforce. Our mining contractors Macmahons have a focus on mental health with their 'Strong Minds, Strong Mines' initiative. This comprehensive and long term mental and physical health awareness and suicide prevention program is delivered in collaboration with Resouce Minds, Rural and Remote Mental Health and is a company-wide initiative for creating awareness and encouraging workers to look after their mental and physical health.

Camp operators, Sodexo, are also committed to balancing meal options to ensure good nutrition for site workers. The camp mess offers a comprehensive range of fresh on-site prepared food, with a large variety of fresh fruit and vegetables at all meal times.

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, senior site managers and 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

Engagement	Stakeholders	Activity in 2018
Glenden DIG	Community groups and individuals, Local and State Government, industry representatives, local business owners	Quarterly meetings and open community forum with four meetings held in the reporting period
Industry briefings	Government, local suppliers and businesses	Participation with Mackay Isaac Whitsunday Regional Office of Regional Economic Development, Department of State Development in QMEE event; participation in judging of Bowen Basin Mining Club awards evening; participation in the QRC 'Meet the Buyer' forum for Indigenous-owned businesses; and participation in various other QRC forums and initiatives
Local and State Government	Local and State governments	Regular meetings held with Local and State government representatives throughout the year
Site tours	Government, joint venture partners and investors	Several site visits were conducted during the reporting period
Cultural Heritage Committee	Indigenous stakeholders	Quarterly meetings including regular updates on status of project and employment and business opportunities
Contractor meetings	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
Local Landholder Advisors	Affected landholders and agistees	Regular meetings held with landholders and agistees throughout the year
Glenden Pipeline	All stakeholders	Contribution to monthly newsletters
Community Concern Number	All stakeholders	Number well publicised No calls received
Online	All stakeholders	No data available

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.

As a result of significant investment in supply chain and procurement activities in 2017, Byerwen and its contractors established a strong network of local suppliers throughout the region. 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 the continued construction activities and stable mining operations, 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 35% local and regional supply of total Project spend in their supply chains. 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 achieved over 69% supply from Queensland-based businesses. For the size of the Project, and the requirement for the purchase of specialist major equipment for the construction of the CHPP during the reporting period, the benefit to Queensland businesses has been relatively maintained at levels similar to 2017. Over the last 18 months, procurement from Queensland businesses has been over 70% of Project costs, a strong result for Byerwen and its contractors.

Byerwen will continue to maintain its comprehensive networks with local suppliers and will to engage with potential and successful contractors on local participation initiatives as construction and operations continue into future stable and expanded activities.