

MORANBAH GROSVENOR COMPLEX

Socio-Economic Assessment
Toolbox Report 2019-2021



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EXECUTIVE SUMMARY

This report presents the outcomes of the Anglo American Socio-Economic Assessment Toolbox (SEAT) community consultation process conducted between August and October 2018 for Anglo American's operations in Moranbah, which includes Moranbah North Mine, Grosvenor Mine and the Coal Handling and Preparation Plant (CHPP).

The purpose of the report is to document the findings of the SEAT consultation process, provide feedback to participants and document our commitment to deliver more sustainable, locally focused and transparent benefits in partnership with the local community. This is the third SEAT process undertaken for Anglo American operations in Moranbah.

A message from CEO Metallurgical Coal business, Tyler Mitchelson

As one of Central Queensland's major employers, we understand the importance of community.

Our operations directly and indirectly provide employment for thousands of people across Queensland, particularly in the areas where we operate around Moranbah, Middlemount, Moura, Banana and Theodore. We don't just operate alongside communities – we're part of them.

It's my firm belief that our communities should benefit from our presence, and at Anglo American, we're committed to making that happen.

Our goal - and a key pillar of Anglo American's Sustainable Mining Plan - is to support thriving communities, for the benefit of our people, their families, their communities and local economies.

We have a proud history of supporting local sustainable development initiatives, with a targeted social investment and donations policy that aims to improve health and education services and facilities, and increase the liveability of our host communities.

Over the last few years we've provided ongoing support for organisations such as RACQ CQ Rescue Service, which delivers life-saving aeromedical and emergency helicopter rescue services across Central Queensland; Queensland Minerals and Energy Academy Skills Camp, which provides training and skill development sessions for students; the Moura Miners Memorial, paying tribute to those who lost their lives in mining disasters; and many other local health, education and community service providers.

To support regional economies, we have a policy that encourages sustainable, responsible local procurement. In 2017-2018 financial year, Anglo American's Metallurgical Coal business invested heavily in locally-sourced and state-based procurement with 73% of our spend occurring in Queensland.



But we know we can do more.

Our purpose is to re-imaging mining to improve people's lives, and we apply this to the way we operate in our communities too.

To ensure we create shared value, we follow Anglo American's Social Way, a governing framework for how we act as a community member. As part of Social Way, all Anglo American-managed operations are required to conduct a comprehensive Socio-Economic Assessment Toolbox (SEAT) process every three years.

Anglo American was the first mining company to adopt this kind of approach, and it reflects our commitment to partnership and open, honest engagement with our stakeholders.

Throughout the SEAT process, we engaged with a wide range of community members, listening to your views about the impacts of our organisation on your local areas. Importantly, we also heard your priorities for our future investment, and drew on this feedback to help determine our way forward over the next few years.

This report provides a snapshot of the key matters raised by the community and sets out our socio-economic investment priorities for the years ahead. We are proud to share it with you, and to continue to engage closely with our communities.

Tyler Mitchelson

CEO Metallurgical Coal
Anglo American



INTRODUCTION

This report presents the findings of a study to assess the socio-economic impacts of Anglo American's Moranbah Grosvenor complex, comprising the Grosvenor Mine, Moranbah North Mine and Coal Handling and Preparation Plant (CHPP). The study was guided by the Socio-Economic Assessment Toolbox (SEAT) Version 3.

1.1 Background

To be productive, safe, responsible and sustainable, Anglo American's operations must live alongside thriving communities. The business has the potential to contribute to the sustainable development of regions and improve the prospects of those who are touched by our operations.

To create shared value, the company follows Anglo American's Social Way, a governing framework for social performance. It sets out clear requirements for all Anglo American-managed sites to ensure that systems are in place to:

- Engage with affected and interested stakeholders
- Avoid, prevent, mitigate and where appropriate remediate adverse social impacts
- Maximise development opportunities.

As part of Social Way, all Anglo American managed operations at all phases of development are required to conduct a comprehensive Socio-Economic Assessment Toolbox (SEAT) process every three years, which provides a governing framework for managing social performance.

This report presents the findings of a study to assess the socio-economic impacts of Anglo American's Moranbah Grosvenor complex, comprising the Grosvenor Mine, Moranbah North Mine and coal handling and preparation plant (CHPP). The study was guided by the Socio-Economic Assessment Toolbox (SEAT) Version 3.

1.1.1 Divestment process

In 2016, Anglo American initiated a divestment process for all coal assets in Australia to reduce net debt and realign the company's balance sheet. As a result, community activities and contributions were significantly reduced during this period. However Anglo American continued to support several local initiatives, including:

- Moura kindergarten and hospital support funding, as well as the Moura Miners Memorial
- Middlemount Youth Centre activities and programmes, and the Middlemount Race Club event
- Funding the Queensland Music Festival Isaac Project, providing concerts with local entertainers
- Sponsorship of the RAQC CQ Rescue Service, which delivers life-saving aeromedical and emergency helicopter rescue services to the Central Queensland community, including our employees and their families
- Sponsorship for the Queensland Minerals and Energy Academy Skills Camp, which conducts training and skill development sessions for our industry in the region.

In May 2017, Anglo American reversed the divestment decision, announcing that it intends to remain in Australia with a specific focus on metallurgical coal assets in Queensland's Bowen Basin.

1.2 Structure of report

The first section of this report consists of an introduction to the SEAT process utilised by Anglo American sites globally. It sets out the objectives and the approach applied, as well as identifying the stakeholders consulted during the SEAT assessment process, in late 2018.

Following this, the Moranbah Grosvenor complex is profiled to highlight details including site location, employment, future capital investment and expansion plans, existing closure plans and other economic activity in the region.

This report then identifies existing social management initiatives and key community investments made within the Moranbah community.

Finally, the current socio-economic impacts (both positive and negative) of the Moranbah Grosvenor complex on the community of Moranbah are presented and the key social management focus areas for the following three-year period 2019 – 2021 are identified.

Information from this report will be incorporated into Anglo American's internal Social Performance Strategy and Socio-Economic Development Strategy, which guide the business on social investment and performance.

1.3 Acknowledgements

Anglo American thanks all stakeholders who contributed to this SEAT process, whether through provision of data and information, completion of surveys or participation in one-on-one interviews or focus groups.



OBJECTIVES AND APPROACH



2.1 Objectives

The objectives of the SEAT process are to:

- Improve Anglo American's understanding of our socio-economic impacts, both positive and negative
- Identify the key social and economic issues that need to be managed in the local community
- Build a meaningful dialogue with stakeholders to gather feedback on social initiatives, the socio-economic effects of core business activities and co-identify where improvements might be made
- Develop a plan for managing the operation's social and economic impacts, including social investment and ensure capacity
- Scope goals and indicators to track impact moving forward.

2.2 Approach

The SEAT assessment is a continual improvement process that allows Anglo American to assess and enhance social-economic practice. It is not driven by legislative requirements but forms a key pillar of Anglo American's global Sustainability Strategy – Creating thriving communities. Furthermore, FutureSmart Mining™ is our innovation approach and enables our businesses to reinforce positive contributions.

There are seven steps to a SEAT cycle (as illustrated in diagram). Broadly these include understanding where we operate and our impacts, prioritising social performance issues and then putting improvement plans into practice. Stakeholder engagement is key through-out. This report (step 7) summarises findings from direct engagement with stakeholders, analysis of business data and internal reviews and discussions on the appropriateness of current procedures along with future priorities.

One of the core objectives of the SEAT process is to assess existing social management initiatives and investment, provide feedback on their success and suitability, and to identify where improvements might be made.

As part of the company's alignment with international best practice, the Moranbah Grosvenor complex follows Anglo American's Social Way policy. The policy outlines a governing framework for social performance including responsibilities for leaders to follow its core principles of:

- Delivering a lasting positive contribution to communities
- Managing risks and impacts
- Respecting human rights
- Engaging with affected and interested stakeholders
- Empowering vulnerable and marginalised groups
- Integrating social performance within relevant departments and activities within the operation.

Anglo American's commitment as part of this policy is to conduct SEAT assessments and deliver reports every three years and to report regularly on progress made to stakeholders. Commitments made in this report are delivered through:

- Direct benefits flowing from core operations: including local employment, local procurement, housing, public tax contributions, skills and competencies investment
- Indirect impacts created through suppliers' and employees' spend in communities
- Community Social Investment (CSI) – resources (time, money, skills and physical assets) invested to address community need.

In conducting our core activities and social investment we:

- Maintain Stakeholder Engagement Plans (SEPs)
- Implement an external complaints and grievance mechanism
- Action Culture and Heritage Management Plans (CHMPs) with Traditional Owners and the local authorities
- Maintain a local supplier policy.

These processes are described in more detail in the mechanisms to manage social performance section below.

Anglo American's stakeholder engagement team oversees the SEAT process with support from all appropriate site level functions.



2.3 Stakeholder engagement undertaken during the SEAT process

Anglo American engaged Ernst & Young (EY) to conduct stakeholder engagement to support the SEAT process from August to October 2018. This process involved focus groups with community stakeholders, online and hard-copy surveys and an outreach stall run over two days in the local shopping centre to gather verbal feedback and encourage survey completion. Additionally, EY engaged with representatives from Barada Barna people to understand the perception of Anglo American operations from within Traditional Owner groups.

The purpose of the stakeholder engagement was to hear about issues of concern to community stakeholders, and to receive feedback on the effectiveness of Anglo American's community activities.

2.3.1 Focus groups

EY facilitated focus groups with community stakeholders, which included 44 participants. Stakeholders were invited to thematic focus groups based on their backgrounds. Conversations were structured around:

- Co-defining what a thriving Moranbah community looks like
- Identifying outcomes and impacts relating to Anglo American's activities experienced since the previous SEAT report
- Identifying existing strengths and resources that exist in the community to achieve broader community outcomes
- Identifying resources Anglo American could contribute
- Understanding key concerns (issues) of the community.

2.3.2 Survey participants

Sixty-three survey responses were received from residents in Moranbah.

Age of survey respondents

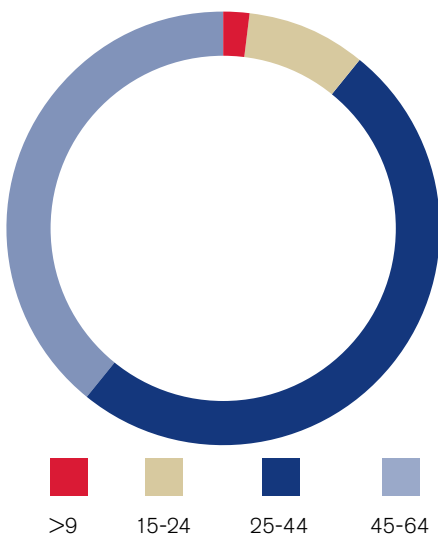


Figure 2: Age of Moranbah Grosvenor Complex survey respondents

Gender of survey respondents



Figure 2: Gender of Moranbah-Grosvenor Complex respondents

2.3.3 Operational stakeholders

Stakeholders are individuals, groups or organisations that either affect or are affected by the activities and operations of the Moranbah Grosvenor complex operations. They can be categorised as impacted stakeholders (affected parties) and then alongside these are representative groups which may be authorities or interest groups.

Specifically, the stakeholders of the Moranbah Grosvenor complex include:

Impacted stakeholders:

- Moranbah North and Grosvenor Mines contractors and employees
- Young people and student residents
- Vulnerable groups: Older residents, culturally and linguistically diverse (CALD) and differently abled
- Local business owners
- Traditional Owners (local)
- Neighbours (landowners and leaseholders)
- Anglo American tenants
- Regional residents / local community
- Moranbah mine suppliers
- Local service providers
 - * Emergency services
 - * Health services
 - * Education and childcare service.

Highly influential representative stakeholders:

- Isaac Regional Council
- State and Federal Government
- Unions
- Media (local, state and national).

PROFILE OF MORANBAH GROSVENOR COMPLEX

Anglo American's Metallurgical Coal business is part of the Anglo American group, and currently operates and manages five metallurgical coal mine sites in the Bowen Basin, in Central Queensland.

In the Moranbah area, Anglo American owns and operates the Moranbah North and Grosvenor underground metallurgical coal mines. The company is a major employer in the Moranbah region, and has built a strong presence in the community. Anglo American intends to make a continued positive impact on the local township, and actively contributes to improving services and facilities in the area.



3.1 Operational information

Moranbah North Mine

Moranbah North is an underground longwall mine which has been in operation since 1996.

Moranbah North's hard coking coal is mined from the Goonyella Middle Seam mainly for export to Japan, Korea, Taiwan, India, Brazil and Europe.

Moranbah North is 88% owned by Anglo American, with the remaining 12% owned by joint venture partners.

In 2018, Moranbah North produced around nine million tonnes of high fluidity, hard coking coal. The mining operation employs around 940 employees and contractors and is estimated to have a mine life of 24 years into the future.

Grosvenor Mine

Grosvenor Mine is an underground longwall mine operation, which began production in 2016.

The mine adjoins Moranbah North, where Grosvenor Mine's hard coking coal is transported via conveyor to shared coal handling and processing facilities. The coal is transported from Moranbah North via rail to port.

Grosvenor Mine is wholly owned by Anglo American (100%), and has a nameplate capacity of 7.5 million tonnes per annum. It employs more than 800 employees and contractors and is estimated to have a mine life in excess of 30 years.

3.2 Location

The Moranbah Grosvenor complex is located in the northern part of the Bowen Basin in Central Queensland, within the Federal electorate of Capricornia, Queensland electorate of Burdekin and Isaac Regional Council local government area.

The Moranbah North Mine is located 16 kilometres north of the Moranbah township, and approximately 220 kilometres south-west of the regional centre of Mackay. The Grosvenor Mine is around six kilometres north of the Moranbah township, and approximately 190 kilometres south-west of the regional centre of Mackay.



Figure 3: Map of the Moranbah Grosvenor complex, showing location relative to local towns, and other Anglo American operations in the region.

3.3 Future capital investments and expansion plans

The Moranbah Grosvenor complex continues to invest in the development and expansion of its operation to ensure its future sustainability. Potential extension plans exist for the mines, which include an extension of Moranbah North and development of the Moranbah South project. Further detail is provided below.

Moranbah Grosvenor (Teviot Brook)

Potential expansion would include extension of longwall mining at Moranbah North into a new adjoining mining lease area, extending the mine life by 16 years to 2042.

Moranbah Grosvenor Complex (Phases 1 and 2)

Phase 1 includes minor plant upgrades and is in implementation. Phase 2 is a low capital project to further increase plant capacity by around 25% - 40%. Currently under study, in concept stage.

Moranbah South Project

A longer-term option currently in early concept stage.

3.4 Existing closure plans

3.4.1 Life of mine

Moranbah North mine's remaining life of mine, based on current rates of production, known reserves, commodity prices and numerous other factors, is approximately 24 years. The remaining life of mine for Grosvenor Mine is approximately 29 years. Anglo American recognises the need for long-term mine completion planning, to achieve the goal of leaving a positive legacy in the form of a sustainable region after the completion of mining activities.

3.4.2 Mine completion

Mine completion planning is fundamental for mining operations and is designed to mitigate potential impacts of mine closure. In Australia, mine completion planning is guided by federal, state and industry legislation and guidance. Mine completion ultimately determines what is



left behind as a benefit or a legacy for future generations, but also suggests ways to foster economic independence for local businesses as well as ways to best utilise the mine's infrastructure and land, once rehabilitated. Anglo American has developed a mine closure toolbox to assist mine completion plans for various stages of operations. These plans aim to:

- Leave a sustainable positive legacy within the Moranbah community
- Attain a closure certificate from relevant authorities without conditions attached
- Make closure planning part of its operational philosophy and integrate mine closure planning in its strategic business plans
- Undertake effective stakeholder engagement as a key component of mine closure planning and implementation.

3.5 Surrounding business environment and regional economic activity

The Moranbah Grosvenor complex is located in the Bowen Basin, which contains one of the largest coal reserves in Australia and some of the highest quality metallurgical coal reserves in the world.

The township of Moranbah is located in the Isaac Regional Council local government area, where the economy is dominated by the resource sector which contributes 75% of the region's gross regional product of \$5.9 billion. The Isaac Regional Council area contains 27 operational coal mines, which produced 54% of Queensland's coal in 2018 (Isaac Regional Council n.d). In addition to coal, the region contains significant mineral, gas and other extractive resources. The region is also home to a diverse agriculture economy, particularly beef cattle grazing and broad-acre cropping.

EXISTING SOCIAL PERFORMANCE MANAGEMENT AND INVESTMENT



4.1 Existing social management activities, including current stakeholder list

Anglo American's previous Moranbah SEAT report (2015 – 2017) identified seven priority areas for social performance: environment; housing; employment; economic vitality; community health and well-being; community investment; and engagement and communication.

In 2016, Anglo American initiated a divestment process for all coal assets in Australia, as part of a global effort to reduce net debt and realign the company's balance sheet. As a result, community activities and contributions were significantly reduced during this period. However, in mid-2017 the decision was reversed, with the organisation committing to maintaining its Queensland operations and further investing in local communities and economies.

Throughout this period, Anglo American continued to support several local initiatives, making more than \$500,000 in community investments from 2015. Major achievements included:

- Procurement from more than 100 local suppliers in 2018
- Support through the Community Health Partnership in training health professionals
- The appointment of a Community Relations Specialist to support the stakeholder relations team deepen and widen our engagement
- Flagship support for the RACQ CQ aeromedical and emergency rescue helicopter service
- Hosting apprenticeships, traineeships and school based apprenticeships including the development of unique opportunities for female apprentices.

4.1.1 Current stakeholder list

The current stakeholder list for the Moranbah Grosvenor complex is included below.

- Moranbah North and Grosvenor Mines contractors and employees
 - * Anglo employees direct
 - * Construction, Forestry, Mining and Energy Union (CFMEU)
 - * Electrical Traders Union (ETU)
 - * Australian Workers Union (AWU)
- Young people and student residents
 - * Moranbah State School
 - * Moranbah East State School
 - * Moranbah State High School
 - * P&C Associations
 - * Simply Sunshine Childcare Centre
 - * C&K Moranbah Community Kindergarten
 - * Moranbah Playgroup
 - * Moranbah Early Learning Centre
- Vulnerable groups: Older residents, Culturally and Linguistically Diverse (CALD) and differently abled
 - * Hinterland Community Care
 - * Moranbah Multicultural Club
- Local business owners
 - * Moranbah Traders Association
- Traditional Owners (local)
 - * Barada Barna people
- Neighbours to Moranbah North and Grosvenor Mines
 - * Landowners and leaseholders
- Anglo American tenants
 - * Grosvenor Village
- Regional residents / local community
 - * Isaac Regional Council community representative
 - * Moranbah District and Support Services Association
 - * Moranbah Rotary Club
 - * St Francis Anglican Church
 - * Queensland Country Women's Association
 - * Moranbah Boxing and Sporting Club Inc
 - * Moranbah Aquatic Centre
 - * Moranbah Golf Club
 - * Emergency and long term accommodation Moranbah (ELAM)
 - * Mackay/Whitsunday Road Accident Action Group
- Moranbah North and Grosvenor Mine suppliers
 - * Spotless Facilities Management
 - * Gryphon Psychology
- Local service providers
 - * Emergency services
 - » Department of Community Safety (included SES, Fire and Rescue, QLD Ambulance Service)
 - » Queensland Police Service (QPS)
 - * Health services
 - » Oaktree Family Medical Centre
 - » Sonic HealthPlus Medical Centre
 - » Queensland Health
 - * Education and childcare service
 - » Moranbah State School
 - » Moranbah East State School
 - » Moranbah State High School
 - » P&C Associations
 - » Simply Sunshine Childcare Centre
 - » C&K Moranbah Community Kindergarten
 - » Moranbah Playgroup
 - » Moranbah Early Learning Centre.
- Isaac Regional Council
- Resource organisations
 - * BHP
 - * Arrow Energy
 - * Downer EDI Mining
 - * Dyno Nobel
 - * Queensland Resources Council
- State and Federal Government
- Unions
- Media (local, state and national).

4.2 Existing socio-economic benefit delivery

4.2.1 Approach to Community Social Investment (CSI) programs

Anglo American works with community stakeholders to co-define what a thriving community looks like, and what is required to achieve it. Working to address the specific needs of regional communities in Queensland, Australia, Anglo American has used its site Community Social Investment (CSI) program funds to support community driven initiatives which respond to priority SEAT areas.

Following the consultation process in 2014, the key issues raised by stakeholders were categorised into the following areas:

- Environment
- Housing
- Employment
- Economic vitality
- Community health and well-being
- Community investment
- Engagement and communication.

CSI spend has been focused on delivering outcomes to the community in these areas. However, significant new non-essential expenditure was put on hold while Anglo American reviewed its long-term mine investment strategy (see section 4.1).

4.2.2 CSI application process

Site management sets the budget for CSI spend each year. Advertisements for CSI applications are placed twice yearly in local newspapers, and application forms are provided to interested parties on request. Anglo American employees are available to assist interested parties in completing applications, if necessary. The community team and a site committee assess CSI applications against priorities identified during the SEAT process, as well as against Anglo American internal business integrity requirements. Following this, applicants are notified of the outcome.

Anglo American conducts internal audits for compliance with the social investment and donations policies which include a business integrity audit. In addition, an annual third-party audit is undertaken by Anglo American on randomly selected business units and projects.

CSI Spend

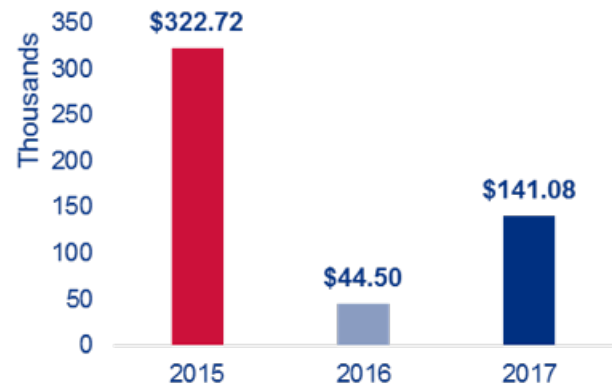


Figure 4: Moranbah Grosvenor complex CSI spend (2015 – 2017)

Moranbah's CSI spend reduced after 2015, because of the divestment process (section 4.1). This reduction was noted in feedback from focus groups and survey respondents.

CSI spend is divided into five areas:

- Community development – Other
- Disaster and emergency relief
- Education and training
- Health and welfare
- Sport, arts, culture and heritage.

The largest area to receive funding between 2015 – 2017 was 'education and training'. Within that area, grants were primarily directed to the school and childcare facilities for events and facilities. Within the category of 'sport, arts, culture and heritage' funding was largely directed to community events and sports equipment.

Respondents to the survey were aware of community initiatives (54%) especially events and sports club support. Of the surveyed community members who were aware of Anglo American's social investment, 30% could describe the outcomes for the community.

Several groups who applied for funding recently articulated that the process had been long with poor communication.

Distribution of CSI Awards

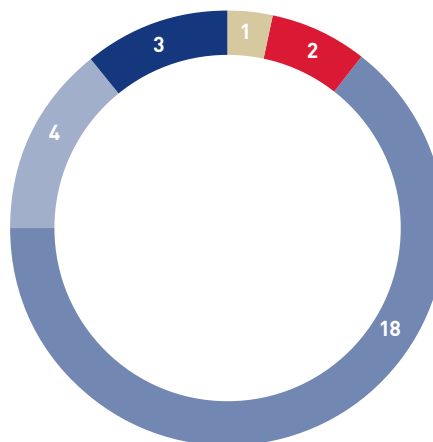
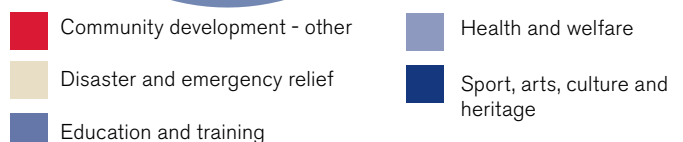


Figure 5: Moranbah Grosvenor complex distribution of CSI spend 2015-2018



4.2.3 Mechanisms to manage social performance

The table below summarises the tools, processes and mechanisms used by Anglo American to ensure social performance is integrated into operations.

MECHANISM	DESCRIPTION AND OBJECTIVE
Community Relations Specialist	<p>In 2018, Anglo American employed a Moranbah Community Relations Specialist.</p> <p>The purpose of the role is to develop and deliver key social performance initiatives to directly contribute to the maintenance and enhancement of Anglo American's social licence to operate. A key part of the role will also be strengthening relationships with local stakeholders.</p>
Stakeholder Engagement Plan	<p>Moranbah maintains a database and plan for proactively engaging with stakeholders including community representatives.</p> <p>The aim is to maintain two-way communication and ensure Anglo American listens to the concerns and interests of stakeholders as well as sharing information on the business.</p>
Cultural heritage management	<p>In 2015, Anglo American representatives met with the Traditional Owner groups of the Moranbah operation, Barada Barna people, to sign the cultural heritage Investigation and Management Agreement for the mine.</p> <p>The plans formalised Anglo American's ongoing commitment to the protection and management of the cultural heritage at the mine.</p>
Complaints and Grievance Procedure	<p>An effective, fair and transparent instrument for recording, handling and resolving complaints and grievances of stakeholders is an important part of Moranbah's stakeholder engagement framework. The intention is to address stakeholder concerns using tools that are standardised across Anglo American.</p> <p>Anglo American's Moranbah operations have a Social Incidents and Complaints Procedure that can be accessed online or from the town office. In addition, an external reporting service, Speak Up, is operated by an independent third party, Deloitte Tip-Offs Anonymous, and the service can be reached by phone, email, fax, post or via the Speak Up website: www.speak-up-site.com.</p>
Life of Mine plans	<p>Long-term plans that considers the social, environmental and economic legacy of the mine is in place to maximise value for all stakeholders at all points in the mines' lifecycles.</p>
Local Procurement	<p>Local procurement is of strategic importance to Anglo American. It plays a key role in securing and maintaining our right to mine, developing thriving and healthy host communities, creating efficiencies in our supply chain and ensuring reliable access to critical supplies. Anglo American's policy is for sustainable, responsible local procurement that positively contributes to a resilient supply chain and the economic and social development of the communities in which we operate, and this policy is enacted by enabling access by local businesses to supply chain opportunities that arise from the presence of our projects and operations. Anglo American comply with the Queensland Resources and Energy Sector Code of Practice for Local Content 2013 and report bi-annually to QRC on local content spend.</p>
Anglo American Housing	<p>Anglo American provides housing to ensure the company can attract and retain employees. This is essential to successful operations because it ensures employees have access to accommodation that is in line with the market standard and pricing. Anglo American housing incentives include rental subsidies for open market rental agreements.</p>
Health, Safety and Environment	<p>Recognising that individuals should not incur injury or sickness through their employment, Anglo American's vision is to achieve Zero Harm to our workforce, including contractors through the effective management of occupational health and safety risks within and around our operations.</p> <p>Anglo American seeks to minimise impact on the environment by designing, building, operating, rehabilitating and closing all our operations in an environmentally controlled and responsible manner that minimises pollution and eliminates where possible or prevents irreversible environmental impacts.</p>

MECHANISM	DESCRIPTION OF OBJECTIVES
Social and Human Rights	The Moranbah Grosvenor complex has carried out a baseline risk assessment of the establishment, operation, support services, new projects and decommissioning of the whole operation. In particular, the risk assessment looks at social and human rights risks as a result of operations and establishes a set of controls to mitigate potential unwanted events.
Community Services Leave	Anglo American employees have duties and responsibilities in the workplace, in their family environment and in the community in which they live. Community services leave recognises the need for employees to undertake these duties and responsibilities within the community. Anglo American supports the communities where it operates by providing employees with paid leave to undertake civic duties, or to meet the responsibilities associated with the organisations they belong to in the community.



ABOUT THE MORANBAH COMMUNITY



5.1 Introduction

The Moranbah Grosvenor complex is located near the town of Moranbah in the Isaac Regional Council local government area, approximately 190 kilometres south-west of Mackay and 1,050 kilometres north-west of Brisbane.

The Moranbah North Mine is located 16 kilometres north of the Moranbah township, and the Grosvenor Mine is around six kilometres north of the town.

Moranbah is one of the largest towns in the Isaac region and is the administrative headquarters of the Isaac Regional Council.

5.1.1 Facilities and services

Moranbah is a modern town equipped with many facilities including retail outlets, aquatic centre, two medical centres, a hospital, Coles supermarket, allied health facilities, two day-care centres, playgroups, two dental facilities, many sporting and community clubs and numerous accommodation options.

Moranbah has educational facilities ranging from day-care to Year 12, as well as opportunities for tertiary education. 36.1% of the Moranbah population are attending an educational facility (ABS 2016).

There are two primary schools in Moranbah – Moranbah State School and Moranbah East State School, with a total of 1,157 students. There are 621 students enrolled in the local high school, Moranbah State High School (MSHS). MSHS caters for students from Year 7 to Year 12 and offers a range of subjects, including specialty subjects delivered by distance education. Nearby tertiary education options to Moranbah include James Cook University in Mackay, Central Queensland University – Emerald Campus and The Australian Institute of Management, Moranbah.

5.1.2 Housing and land

While land value and house prices have declined since 2015 (DNRME 2018), stakeholders noted during stakeholder consultation that there are ongoing issues with housing affordability – particularly for those not on mining incomes. Weekly rental prices have also trended upwards since mid-2017 (figure 3 below). Stakeholders expressed concern that as a result of the fluctuations in the mining industry, house lending in mining towns is more difficult to obtain and noted that home ownership is out of reach for some residents.

Median land value in Moranbah

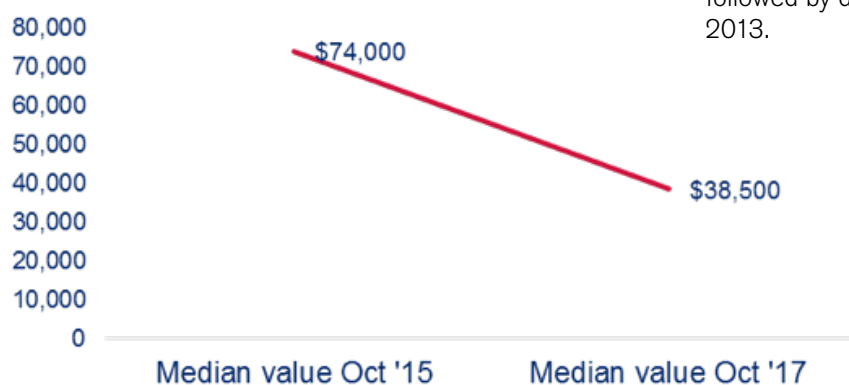


Figure 6: Median land value in Moranbah (Source: DNRME 2018)

Median weekly rental in Moranbah

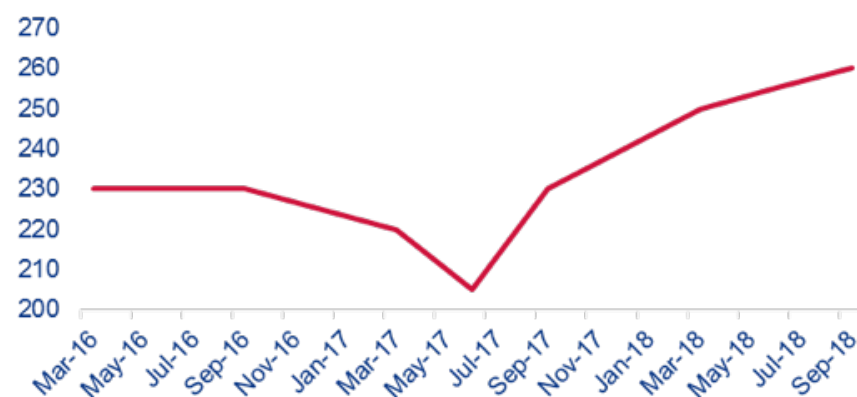


Figure 7: Median weekly rental in Moranbah (Source: DNRME 2018)

5.1.3 Community events

Annual community events are an important aspect of the Moranbah community. Each year, the town hosts events including the 4U2 Concert, the Mayor's Charity Ball and the Ladies Garden Tea Party. These events, in addition to special events like The Power Within (part of the Queensland Music festival), contribute to worthy causes and are major social highlights for the community and surrounding areas.

5.2 Geographic and historical context

Moranbah is one of the youngest towns in Queensland, as it was purpose-built for mining in 1971 with the aim of creating a community for miners and their families.

Moranbah North Mine was originally developed by Shell Coal and has been in operation since 1996. Anglo American became the operator of the asset when it acquired Shell Coal in 2000. Grosvenor Mine began longwall production in May 2016.

Community resilience has been tested as Moranbah has experienced socio-economic changes in recent years, as a result of downturns and upswings in the mining industry. During the mining boom in 2012, house prices grew by 70% (University of Queensland 2016), which was then followed by dramatic decreases during the downturn in 2013.

5.3 Demographics

The population of Moranbah is around 10,600, which is comprised of around 80% permanent and 20% non-permanent residents (Figure 8, below). Non-residents are defined as employees who are living in the area of their workplace at a time, but also have a residence elsewhere.

Resident population

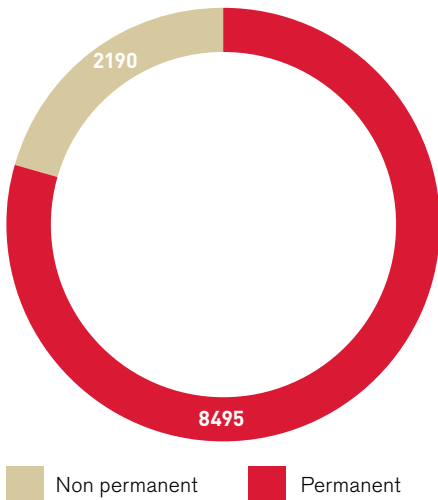


Figure 8: Permanent versus non-permanent residents in Moranbah (Source: Bowen Basin Report 2017)

Australian unemployment rate

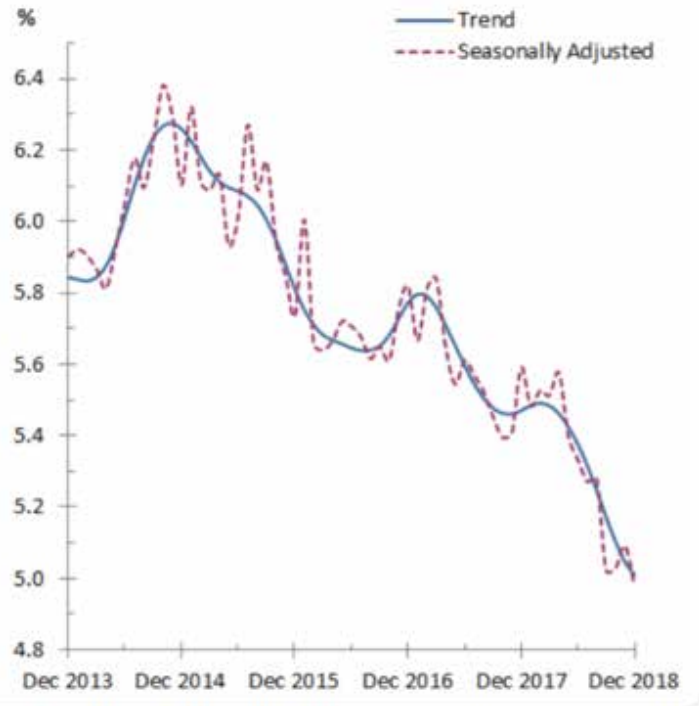


Figure 10: Australian unemployment rate (Source: ABS)

The labour market in Moranbah is dominated by mining with around 40% of the employed workforce working the industry. Moranbah has a significantly high weekly household income of \$2,421, which is \$983 per week more than the Australian median weekly income. Since 2014, unemployment in the Isaac region has remained well-below the Australian unemployment rate (ABS 2018).

Issac - unemployment rate

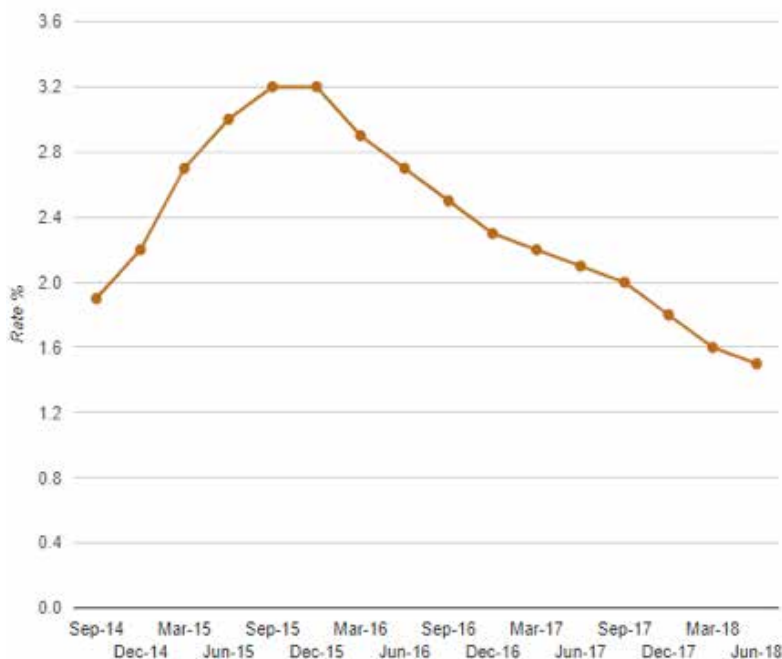


Figure 9: Isaac unemployment 2018 (Source: Isaac Regional council)

5.3.1 Semi-permanent residents

Through consultation with stakeholders, a reoccurring concern was the work arrangements of Anglo American employees, principally the non-resident workforce. Stakeholders expressed concern regarding the mental health effects of long-distance work travel and perceived lifestyle instability. In 2015, the Queensland Government commissioned a parliamentary inquiry into fly-in fly-out (FIFO) and other long distance commuting work practise in regional Queensland, including mental health impacts (Queensland Government 2015).

The parliamentary inquiry identified a range of serious impacts on FIFO workers and communities, and the Government's response (Queensland Government 2016) detailed a range of measures to be adopted, including:

- Improved social impact assessments by mining companies
- Workforce plans that maximise the opportunity for local workers to get jobs
- Workers to live in local existing housing, or in purpose-built villages, where there is community support
- Accommodation that provides a safe, clean and healthy environment for workers.

Further research has been produced by the WA Mental Health Commission in 2018 into the impact of FIFO work arrangements on the mental health and wellbeing of FIFO workers (Government of Western Australia Mental Health Commission 2018). The inquiry was initiated by a motion passed in the Legislative Assembly which required the Education and Health Standing Committee to conduct an investigation into the matter, several findings and recommendations were made in the report including addressing FIFO in Western Australia as well as calling for a Code of Practice on FIFO work arrangements.

Anglo American has noted these findings and is working to address them through operations planning.



5.4 Stakeholder relations, needs, issues and concerns

Stakeholders are engaged across various departments using a variety of channels and forums. Stakeholder relations activities include:

STAKEHOLDER GROUP	ENGAGEMENT ACTIVITIES	ANTICIPATED IMPACTS/ CONCERNS	FREQUENCY OF ENGAGEMENT	CURRENTLY ENGAGED
Employees and contractors	<ul style="list-style-type: none"> Email Union meetings Pre-start meetings Shop front open door policy Newsletters 	<ul style="list-style-type: none"> Livelihood status including work-life balance Working conditions and rights Health, education and local infrastructure Housing Community cohesion 	<ul style="list-style-type: none"> As required Daily 'Toolbox Talks' Regular internal newsletter stories 	
Young people and student residents	<ul style="list-style-type: none"> Visits to the schools 	<ul style="list-style-type: none"> Recreational and sports opportunities Education quality Employability pathways Health 	<ul style="list-style-type: none"> Monthly Moranbah interagency meetings 	
Vulnerable groups: Older residents, culturally and linguistically diverse (CALD) & differently abled	<ul style="list-style-type: none"> Community Relations Specialist to participate in Council and local support organisation-led focus groups 	<ul style="list-style-type: none"> Care services (lack of specialists in region) Accessibility to culture, sports and community infrastructure Social cohesion 	<ul style="list-style-type: none"> As required/ad hoc 	Newly identified group
Local business owners	<ul style="list-style-type: none"> Community Relations Specialist and Supply Chain to engage through one-on-one visits and forums 	<ul style="list-style-type: none"> Spending patterns/ incomes of local residents and Anglo America Infrastructure, planning and services Diversification into "niche" sectors Tourism 	<ul style="list-style-type: none"> Moranbah Traders Association Bi-Monthly Meetings 	
Traditional Owners	<ul style="list-style-type: none"> Environment team and Cultural Heritage Co-Ordinator schedule meetings 	<ul style="list-style-type: none"> Cultural heritage Land and planning Community cohesion 	<ul style="list-style-type: none"> Quarterly 	
Neighbours to Moranbah Grosvenor complex (landowners, leaseholders)	<ul style="list-style-type: none"> One-to-one meetings with neighbours Newsletters Shop front open door policy 	<ul style="list-style-type: none"> Noise, air and water pollution Pressure on local resources Infrastructure access Land title changes Outcomes as per Moranbah residents 	<ul style="list-style-type: none"> As required/ad hoc 	
Anglo American tenants	<ul style="list-style-type: none"> Meeting with Facilities Management representative Social media 	<ul style="list-style-type: none"> Housing Infrastructure 	<ul style="list-style-type: none"> As required/ad hoc 	

STAKEHOLDER GROUP	ENGAGEMENT ACTIVITIES	ANTICIPATED IMPACTS/ CONCERNS	FREQUENCY OF ENGAGEMENT	CURRENTLY ENGAGED
Regional residents and otherwise self-identifying local 'community'	<ul style="list-style-type: none"> • One-to-one • Newsletters • Shop front open door policy • Social media 	<ul style="list-style-type: none"> • Housing (lack of affordable housing) • Security • Culture and heritage • Health and sport • Education • Social cohesion • Local economy • Employment • Environment quality/ resource pressures 	<ul style="list-style-type: none"> • As required/ad hoc 	
Moranbah Grosvenor complex suppliers	<ul style="list-style-type: none"> • Facilities management and Supply Chain team emails and meetings 	<ul style="list-style-type: none"> • Procurement patterns • Housing, building or infrastructure that suppliers service 	<ul style="list-style-type: none"> • Moranbah Traders Association Bi-Monthly Meetings 	
Emergency Services (Hospital, SES, QAS, Police, Rural Fire Service)	<ul style="list-style-type: none"> • Community representative meetings • Community Health Partnership meetings 	<ul style="list-style-type: none"> • Service pressure and cost • Infrastructure quality • Public and community health observations (indirect) 	<ul style="list-style-type: none"> • Bi-monthly meetings 	
Health services	<ul style="list-style-type: none"> • Community Health Partnership meetings 	<ul style="list-style-type: none"> • Health of local residents • Aging population pressures • Lack of specialists and limited infrastructure • Accessibility for fly-in specialists 	<ul style="list-style-type: none"> • Monthly Moranbah interagency meetings 	
Education and child services	<ul style="list-style-type: none"> • Meetings with school • Visits to school 	<ul style="list-style-type: none"> • Education quality 	<ul style="list-style-type: none"> • Monthly Moranbah interagency meetings 	
Isaac Regional Council (represent local residents)	<ul style="list-style-type: none"> • Meetings with Members, Mayor, CEO and relevant committees and officers 	<ul style="list-style-type: none"> • Local economy • Infrastructure • Community services • Infrastructure • Regional development broadly 	<ul style="list-style-type: none"> • Quarterly meetings with councillors and senior executives 	
State or Federal Government (represent local residents)	<ul style="list-style-type: none"> • Meetings with local Members 	<ul style="list-style-type: none"> • Regional/local economy • Infrastructure • Natural Resources • Environment and Heritage • Regional development broadly 	<ul style="list-style-type: none"> • As required/ad hoc 	
Media	<ul style="list-style-type: none"> • Media releases 	<ul style="list-style-type: none"> • Public interest news 	<ul style="list-style-type: none"> • As required/ad hoc 	

5.5 Economy livelihoods and labour force

The Moranbah Grosvenor complex employs 1,750 of the 21,462 jobs in the Isaac region which is approximately 13% of the 13,080 workforce employed in the mining sector in the Isaac region (Isaac Regional Council n.d). There are 562 full-time equivalent permanent staff in the Moranbah Grosvenor complex, and an additional 1188 contractors support the operations.

	MORANBAH NORTH	GROSVENOR
Contractor	518	670
Employee	420	142

Current as at August 2018

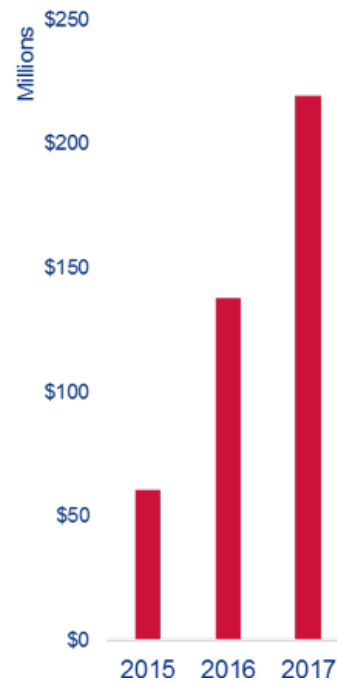
5.5.1 Socio-economic activities

Socio-economic impacts are tracked through company record keeping. Socio-economic data is reported below particularly Anglo American public contributions, local procurement, employment and housing. Socio-economic data is complemented by perceptions captured through consultation based on stakeholders' experiences.

5.5.1.1 Economic contributions

Socio-economic activities flow from the operations of the mines, such as local procurement, and the payment of taxes and royalties. If managed responsibly, such activities can have a ripple effect such as stimulus for the local economy and growth in other sectors. The Moranbah Grosvenor complex has steadily increased royalties and public rates paid since 2015. The most significant increase has been in Export Royalties which increased \$81M from 2016 and 2017. Charitable donations have decreased from \$235,000 in 2015 to \$87,000 in 2017 (see opposite).

Royalties - Export



Other Public Contributions

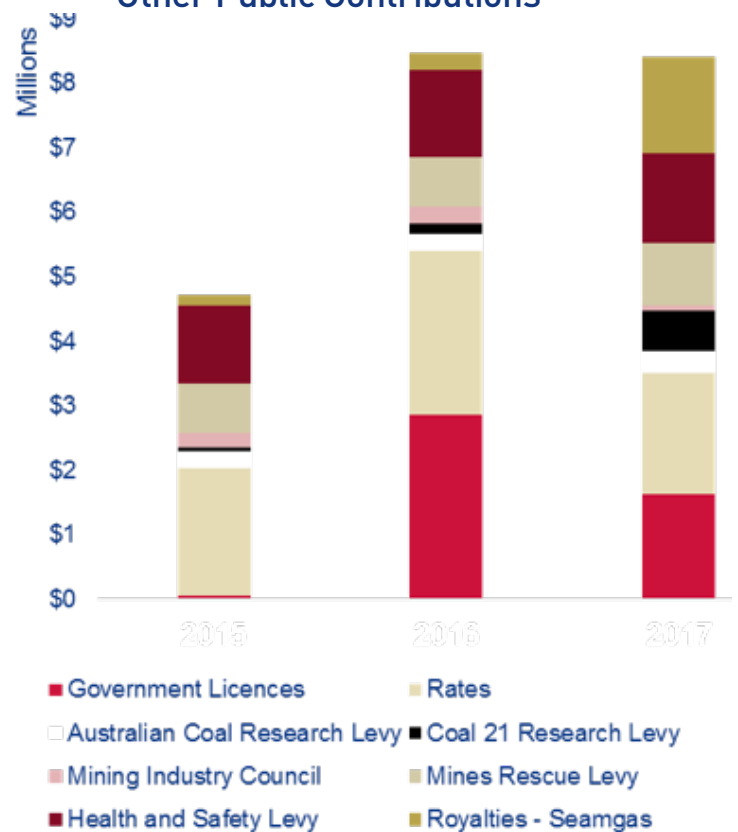


Figure 11: Moranbah North and Grosvenor mine's public contributions and export royalties 2015 - 2017



5.5.1.2 Local procurement

Moranbah Grosvenor complex’s local spend decreased over the last four years from \$32.4M in 2015 to \$18.7M in 2018. Anglo American supported local business by sourcing from 101 suppliers which contributed to 25% of all local spend in the Isaac region in 2018 (Queensland Resources Council 2018). From 2016-17, 389 local businesses benefitted from the resource sector overall in the Isaac region.

Anglo American defines local supplier as a supplier of goods or services that maintains a workforce whose usual place of residency (ie. where they normally live, sleep and eat) is located within a 125 kilometre radius of where the good or service is supplied. If a capable local supplier does not exist within the 125 kilometre radius, the radius should be extended progressively to the local region, then Queensland, then outside of Queensland, until a suitable supplier is identified. The current local supplier definition is being reviewed by Anglo American in order to align with the Queensland Government policy.

Moranbah Grosvenor complex local spend

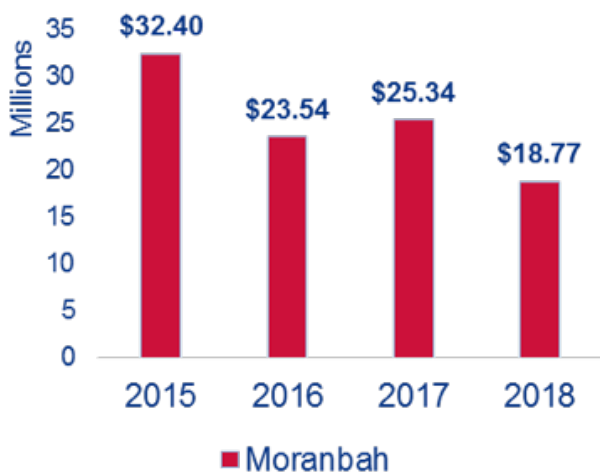


Figure 12: Moranbah & Grosvenor local spend 2015 – 2018 (note – local spend is determined by postcode)

5.5.1.3 Wages

Moranbah Grosvenor complex’s direct salary remuneration has increased (by \$24M) since 2015. Wages for contractors and other professional services also increased (by \$79M). In 2017, \$178M was paid in wages and employee benefits.

IMPACT IDENTIFICATION AND ASSESSMENT



6.1 Introduction

This section outlines the issues and impacts raised by community stakeholders and explores the causal relationship between Anglo American's activities in the communities and the socio-economic outcomes experienced by community stakeholders. Issues include stakeholder perceptions of impacts caused by Anglo American's activities, socio-economic needs and concerns, trends and developments.


Key impacts and issues discussed in this section feed into the Moranbah Social Management Plan (SMP). Impacts were identified through surveys and focus groups. Perceived impacts were categorised as positive, neutral or


negative and were qualified using a mixture of experienced impacts and secondary indicators to balance out any protest votes.



The following section presents the socio-economic impacts perceived by stakeholders identified through the 2018 SEAT consultation. Engaging with local communities at all stages of the mine life cycle to understand impacts of Anglo American's operations is imperative for developing programs to maximise local social benefits. Impact pathways show the logical chain of causation and were identified by stakeholders (see Appendix).




 Negative impact of Anglo American activities perceived by community stakeholders

 Neutral impact of Anglo American activities perceived by community stakeholders

 Positive impact of Anglo American activities perceived by community stakeholders

IMPACT PERCEPTION RATING	KEY STAKEHOLDERS	ANGLO AMERICAN ACTIVITIES	PERCEIVED IMPACTS
Community Engagement			
	Local residents/local community members	<p>Over the past three years Anglo American has contributed to sports, arts and culture activities in the Moranbah community. Some of those included:</p> <ul style="list-style-type: none"> • Anglo American provided funding for the Clarke Creek Telecommunications Project which delivered phone access and broadband internet access to the Clarke Creek community. • The wider Moranbah community received donations to the local Kart club for the purchase of a two-seater kart. • Rock FM Association Incorporated received funding for the upgrade of their broadcasting equipment. • Ongoing support for the 4U2 concert; all funds raised go towards CQ Rescue Helicopter and the Lachlan Horney Trust at the Brisbane Royal Women's Hospital. • Scout Group received support to replace their sign due to damage from severe weather event in early 2018 as well as other outdated sporting, outdoor and training equipment. • Support was given to the Isaac Regional Council in the upgrade of Binda Park including the in-kind donation of landscaping and fencing materials • Read4Life also received contribution towards their festival which targeted local families and supported a variety of local community groups. • The QLD Music Festival received funding for their 'The Power Within' Festival. 	<p>Survey feedback indicated that Anglo American's impact on liveability and social well-being is generally positive. The perceived impacts heard through focus groups are listed below:</p> <ul style="list-style-type: none"> • Regular community events give the Moranbah community something to look forward to and are an important aspect of the community identity. • Stakeholders acknowledged that the community was brought together and provided economic stimulus to Moranbah because of the Queensland Music Festival, which Anglo American sponsored. • Stakeholder consultation revealed that community members feel there is a lack of clarity around the sponsorship application process, particularly the key contacts and timing. • At times, stakeholders perceived a low level of community involvement from Anglo American. The community felt this resulted in a loss of community support opportunities for Anglo American.

IMPACT PERCEPTION RATING	KEY STAKEHOLDERS	ANGLO AMERICAN ACTIVITIES	PERCEIVED IMPACTS
Local Economy			
	Local business owners, Anglo American	Anglo American contributes to the economy through its core activities including employment, business purchases and government payments.	<ul style="list-style-type: none"> • Generally Anglo American's perceived impact on the local economy is positive as stakeholders appreciate that the presence of the mine improves the sustainability of local businesses • Stakeholders feel that current local procurement processes and terms have led to some difficulties for local businesses including labour costs due to the procurement contract 90-day payment terms (NB: Anglo American's policy is 30-day payment terms) • Local businesses noted that they feel that at times they cannot compete with larger businesses and as a result the investment moves away from the local community.
Education and Skills			
	Young people, families and schools	<p>Over the past three years, Anglo American has provided funding for school facilities and equipment at both primary schools as well as Moranbah State High School. Furthermore, Anglo American has continued to invest in skill development of the Moranbah community by offering apprenticeships and traineeships. All three schools were supported through the local chaplaincy committee in 2018. Some of the educational social investments included:</p> <ul style="list-style-type: none"> • External paved recreation area, upgraded water facilities through the school for cool drinking water and replacement of unsafe seating at Moranbah State High School • Moranbah East State School received a donation for their annual fund-raising event, which raised funds to go towards supporting children with special needs and professional development for the teachers. In addition to these, there were multiple smaller donations supporting programs like the Eat N Shade Project. • In 2017, The Moranbah State School received \$30,000 towards the upgrade of wireless internet making high speed wireless access available to all students. 	<p>Overall, community members feel Anglo American's activities in education, especially apprenticeships, have been valuable to young people. The following impacts were identified through stakeholder engagement:</p> <ul style="list-style-type: none"> • Stakeholders acknowledge that Anglo American offers apprenticeship to students and felt this lead to aspiration for young people while providing the opportunity to finish their year 12 schooling • Stakeholders were very positive about the female apprenticeships and traineeships, noting it provides opportunities for mothers to participate in the workforce, and improves gender diversity. Stakeholders felt that the long-term outcomes of apprenticeships are that families stay together, and there is a better quality of life • Stakeholders believed the funding for the wireless upgrade at the Primary school provided students opportunities to bring their laptops to school and improve their technology capabilities, and as a result, students are better prepared for high school • High school teachers recognise the funding for the year 12 area at the high school which they believe provided an improved school environment and independence for students, resulting in students feeling more valued • Conversely, 7-day rosters of the mine staff has meant some families have taken holidays during school term. Stakeholders are concerned that education is less valued and as a result there is more administration for the school and less engagement within the community.

IMPACT PERCEPTION RATING	KEY STAKEHOLDERS	ANGLO AMERICAN ACTIVITIES	PERCEIVED IMPACTS
Health, Safety and Services			
	Local residents	<p>A large majority of community investment funds over the past three years were committed to the RACQ Rescue Helicopter service based in Mackay, servicing the Moranbah region. They provide natural disaster rescue and evacuations during floods or after cyclones. They also provide medical evacuations for patients requiring emergency treatment that is not available in Moranbah. Furthermore, Anglo American support through the Community Health Partnership in training health professionals was a significant health community sponsorship initiative for the SEAT period. Some other health, safety and social service initiatives included:</p> <ul style="list-style-type: none"> • Purchase in installation of fire safety doors at the Moranbah Hospital • Group training and education to community support workers for the Isaac Suicide Prevention Group • Community mental health first-aid training • Sponsorship of the health expo. 	<p>Survey results indicated that Anglo American's impact on the health and well-being of the community is mixed with no strong negative feelings. The following impacts were identified as a result of Anglo American operations:</p> <ul style="list-style-type: none"> • Anglo American sponsorship of the health expo provided professional development for health professionals and awareness of available health services for the wider community • The sponsorship of mental health first-aid training educated the community in identifying mental illness and reducing the stigma associated with mental health • Understanding the community and conditions driving health has been one of the positive outcomes of the community health partnerships • Funding of the CQ rescue helicopter gave the community the ability to provide essential services. In particular, responding to major incidents which stakeholders acknowledged has prevented fatalities in some cases. Ultimately, the health and safety of the community is improved.
Childcare			
	Anglo American employees, local businesses, local residents	<p>Anglo American's direct employment and the work arrangements include full-time equivalent employees on a number of different roster patterns and labour-hire contractors.</p> <p>Anglo American provided funding to Simply Sunshine Day-care in 2015 to renovate the back area of the facility and in 2017 the same facility was supported with bathroom renovations and outdoor play equipment.</p>	<p>Stakeholders felt the impact of Anglo American's activities led to following:</p> <ul style="list-style-type: none"> • Inconsistent rosters are perceived as resulting in higher demand for mid-week childcare, creating a childcare shortage. The community felt childcare should be aligned to Anglo American work arrangements; particularly the hours and flexibility of childcare positions offered • Renovations to Simply Sunshine Childcare provided a safer and more stimulating environment for children to play and learn.
Housing			
	Anglo American employees, local residents and potential residents	Anglo American's employee housing is based on the principle of building sustainable communities neighbouring its operations. Comfortable and dignified living conditions are of great importance to the wellbeing and satisfaction of employees.	Survey feedback indicated perceptions of Anglo American's impact on housing were mixed. This could be a result of the fluctuations in the mining industry which have led to a drop in house prices and tightening of lending opportunities. Generally, stakeholders acknowledged that Anglo American supports housing within the community and this maintains availability.

6.1.1 Featured social initiatives

Simply Sunshine Infrastructure Upgrade Project.

In 2015 Anglo American supported an Infrastructure Upgrade project for Simply Sunshine Childcare Centre, which provides education and social development to children who attend the centre. The centre also provides an approved kindergarten program which is fully attended, care for children with special needs, children with diverse cultural backgrounds and children that have English as their second language.

The project provided improvements to the kindergarten, pre-kindergarten and 'Toddler and Tot' rooms to make the environment safer, more fun, user-friendly, tidier, better organised and visually more attractive. This was achieved through laying pavers, turf and garden mulch in the outdoor play area; installing a 7-metre-long by 5-metre-wide triangle deck; new play equipment, French doors and new bench top.

The project made the facility a safer more engaging learning environment for children. The benefits from this project will be sustained as part of the existing maintenance program at Simply Sunshine and include:

- The centre continues to offer a great service for families in Moranbah
- Staff retention due to the enjoyment of working in the improved centre
- Protection of assets from flood.

4U2 Concert

Anglo American has continued its support of the 4U2 Family Concert fundraising event, run by local company The Hornery Group. The 4U2 concert event brings people from all over the Isaac region together to recognise, pay tribute and raise funds for the vital lifesaving emergency service RACQ Rescue Helicopter and the Royal Brisbane Women's Hospital Foundation cancer care services. The unique festival type event brings big name bands, entertainment and carnival rides to the families within the community. A family event where people from all ages can enjoy a fun, safe environment at an affordable cost.



Moranbah East State School – Eat N Shade Project

Anglo American supported the Moranbah East State School with the Eat N Shade project. This project saw the purchase and installation of six Eat N Shade tables in the Year 5 and 6 lunch area. The replacement furniture was constructed of long-lasting material and has the added benefit of providing shade as well as seating for the students. The aim of this project was to provide a sustainable and safe environment for the 159 students who utilise this area daily and their teachers.

The project has allowed for a previously unused, unsafe space to become a haven for students. In addition to lunch time activities, this space is now used by volunteer reading groups and for celebration of learning days.

Queensland Music Festival

In 2017, Anglo American was a Silver Sponsor of the Queensland Music Festival (QMF). QMF celebrated the talent, diversity and resilience of Central Queensland's agricultural and coal mining Isaac region by uniting hundreds of local community members to star in a world premiere musical spectacular on 28 – 29 July 2017 in Moranbah.

In the most significant cultural event to be staged in the region, The Power Within reflected on the realities and resources of pop-up mining towns – boom and bust cycles, the vagaries of weather, and subsequent economic and social challenges – and the sheer power and beauty of a united community.

The massive outdoor show starred more than 250 locals including schools, town choirs, instrumentalists, featured vocalists, dance groups and horse riders, all set against an inventive industrial backdrop. The production was the result of an 18-month-long community engagement project in which QMF, in partnership with Isaac Regional Council (IRC), embedded its team in six of the towns across the Isaac region: Moranbah, Clermont, Dysart, Middlemount, Glenden and Nebo.





6.2 Assessment of key issues and impacts

Management measures for the issues raised have been assessed in the SEAT process, and where gaps exist, we are working to strengthen our approaches. To bolster positive impacts and address negative areas Anglo American has additionally identified five priority action areas to support Moranbah over the next three years.

Priority action areas were co-developed between the community and Anglo American staff, where community members shared their priority impact area themes and visions for the town and then this information was used as part of workshops held with site management to select priority impact areas in relation to Anglo American's core capabilities and operations and the collective potential impact for the community. The areas selected are outlined below.

Local economy

Anglo American will build local business capacity through our supply chains. Meaningful two-way communication will exist between local businesses and Anglo American.

Community engagement and communication

Anglo American will be present and active in the community. Effective dialogue between Anglo American and the community.

Childcare

All Moranbah families have access to quality and flexible childcare.

Education

Anglo American will support young people to access quality education and opportunities.

Health and wellbeing

Anglo American employees, their families and the wider community have access to key health services and facilities.

6.3 Summary of priority issues and impacts

The following issues were identified during the SEAT consultations. Issues are considered areas of socio-economic material concern for the community, which include basic community needs, trends and developments. Key issues discussed in this section feed into the Moranbah Grosvenor complex’s Social Management Plan (SMP).

COMMUNITY FACILITIES AND ENGAGEMENT	
Community vision	A resilient community with strong networks and active residents was the vision communicated during focus groups for Moranbah. In particular, participation in sport is strongly valued and the community would like to see full sporting clubs with a strong volunteer base.
Key issues	A material concern for the community is sustaining the volunteer base to be able to run and support sporting and other community clubs. Stakeholders felt that volunteers have been unable to commit to regular involvement in community and sporting groups as a result of 7-day rosters.
LOCAL ECONOMY	
Community vision	Stakeholders' vision for a thriving local economy is focussed on proactive local procurement by mines.
Key issues	Given that Moranbah was purpose-built for mining, stakeholders acknowledge that the mine influences the sustainability of local businesses. Consequently, stakeholders expressed concern about the vulnerability of local business in the context of a fluctuating coal market.
EDUCATION AND SKILLS	
Community vision	The vision for education in Moranbah is that there are full schools, experienced educators with community commitment, equal access opportunities for students with special needs, and that there are post-Year 12 options for students to remain in the community if they wish.
Key issues	A material concern for stakeholders is that young people have trade or tertiary based opportunities which allow them to remain in Moranbah if they wish. As an example, stakeholders would like to see young people undertaking training or education which provides a career path and professional development opportunities. Further, stakeholders noted that there is a lack of activities for young people, which they are concerned leads to antisocial or unhealthy behaviours. The community proposed that a youth drop-in centre should be established, to engage youth and bridge the after-school gap.



HEALTH, SAFETY AND SOCIAL SERVICES	
Community vision	Stakeholders' vision is for affordable and equal access to health care. Continued and more extensive partnerships was a community priority for thriving health, safety and services in Moranbah
Key issues	<p>A material concern for stakeholders is the availability of and access to specialised health services, particularly maternal and obstetrics services. The community articulated concerns that families are separated at the crucial time leading up to child birth and hoped that babies could be born in Moranbah, without having the expense and stress of travelling long distances to receive maternity care.</p> <p>Another strong concern was that Moranbah is not adequately equipped to support the mental health of the community. The community noted that at times mining towns can be isolating and identified concerns about community members who do not have access to extended family or friends for support. An issue to progress would be partnering with organisations to be able to provide essential health services.</p> <p>Joined-up support for the SES and emergency services, including training and response planning was an area stakeholders felt could be strengthened.</p>
CHILDCARE	
Community vision	Stakeholders communicated a vision for childcare in Moranbah which is flexible, aligned to the shift patterns and enabling for both parents to take up work.
Key issues	The availability of flexible and quality childcare is a major concern and need for the Moranbah community. In particular, some parents mentioned they are unable to work as a result of the childcare shortage. Furthermore, parents explained that due to employment at the mine and permanent residency in Moranbah, they are separated from extended family, and consequently there is a gap in family support and assistance with childcare. Subsequently, stakeholders are not only concerned about the access of childcare so that parents can participate in the local community and economy but also the level of support for community members who may feel isolated.
HOUSING	
Community vision	The vision for stakeholders is that houses are full and affordable in Moranbah as the mining industry booms.
Key issues	Housing affordability is an ongoing concern for locals, specifically, stakeholders articulated that rent in Moranbah is disproportionate with wages. Generally, stakeholders acknowledged that Anglo American supports housing within the community and this maintains availability. Stakeholders proposed that Anglo American should consider opportunities to develop vacant land.

6.4 Appropriateness of existing social economic benefit delivery initiatives

The table below summarises the priority issues (and impact areas) which emerged from stakeholder engagement and research. A comment on the existing management plans which are already in place to address these issues is made along with the risk of not addressing these issues. Further plans for taking action to promote positive change around the priority issue areas is detailed in the Social Management Plan section.

ISSUES	RISK OF INACTION	EXISTING MANAGEMENT PLAN AND ACTIONS TO MANAGE ISSUES
Community engagement		
Desire for Anglo American to be more present and engaged in community activities.	Without open and proactive community engagement, trust, approval and partnerships can be at risk, jeopardising social licence to operate.	A Community Relations Specialist has been recruited who will be based in the community. The town office is established to improve accessibility of Anglo American to the community. The Stakeholder Engagement Plan will continue to be actively managed.
Economy		
The procurement process is confusing for local businesses and there is a desire for greater support between the local businesses and Moranbah operations.	The risk to Moranbah of reduced local business activity is a reduction in business services available locally.	Anglo American is currently reviewing its Local Procurement Policy and will look to accommodate businesses that find the terms and conditions challenging.
Education, skills and young people		
Concerns regarding the diversity of school subjects, pathways for young people and youth appropriate out of school social activities.	Attraction and retention of staff is at risk if there is limited available schooling, childcare or engagement of young people.	Anglo American acknowledges that better partnering, presence and use of socio-economic levers can support the education of the community. In addition to community social initiatives such as equipment and facilities, staff currently can utilise Anglo American community services leave to undertake civic duties in community areas such as education.
Health and social services		
Access to specialised health services and support for those isolated or experiencing mental health issues.	Reduced health and wellbeing in the area is a direct risk to Anglo American's local workforce, their families and the services relied upon by the Moranbah community. Health is a priority concern for the local community.	Anglo American will continue to work as part of the Community Health Partnership to understand the priorities for the community and ways in which we can contribute with other organisations. In addition, Moranbah will continue to support the fire and SES services through partnership and consultation.
Childcare		
Availability of flexible and quality childcare.	Retaining skilled staff and their family wellbeing is at risk if adequate childcare options are unavailable.	Anglo American has supported a day-care centre through CSI funding but the continued pressure on local services along with lack of care options aligned to shift patterns is not currently addressed.
Housing		
Housing affordability and vacant land.	The population of the town may reduce further if housing affordability is challenging to local residents.	Anglo American is currently undertaking a housing policy review including plans for its vacant lots and financing mechanisms for employees.
Employment		
Rosters reducing community.	Community capacity and cohesion between our employees and the local residents is at risk. However if Anglo American does not offer rosters which are appealing to the workforce, we risk losing skilled employees.	A consultation on the roster pattern is currently underway. Further action is needed to consider additional routes for integrating employees into the community in a manner which is appealing to everyone in the area.

ISSUES	RISK OF INACTION	EXISTING MANAGEMENT PLAN AND ACTIONS TO MANAGE ISSUES
Partnerships		
The Community Health Partnership has been an effective cross-sector initiative. Other community areas see potential for similar models.	Working in isolation and providing one-off CSI financial awards means our impact on larger systemic issues will be limited.	Anglo American will continue to use our non-renewable CSI funds to work for impact such as community togetherness through events and facilities which cannot be provided by other means. On issues that involve multiple stakeholders such as youth engagement, education, health and housing we will work closely with the Council, State and Federal Government agencies and other relevant bodies to form alliances that can set long-term goals and use the strengths of multiple organisations to leverage impact.
Impact monitoring		
The impact of our social initiatives is not tracked and managed outside of the SEAT three-year cycle.	Social impact metrics provide signals of effectiveness in the community domain. To date, Anglo American has logged CSI spend input data and tracked our activities. At the end of three-year SEAT cycles, Anglo American has then broadly discussed our impact with stakeholders.	Moving forward Anglo American will clearly identify the targeted stakeholders in our Social Management Plan, the anticipated outcomes and impact indicators which we can track on a regular basis to assess our effectiveness.
Population decline		
A thematic issue across all community areas has been the reduced population in the area.	The reduction in population in Moranbah is a risk to the community services, businesses and the richness of social experiences available to residents.	Anglo American acknowledge the feedback from the community on this issue relating to the industry and the region. We offer choice to our employees about where they live and continue to strongly support our communities. We are mindful of the need to continue to work with our local communities to encourage people to live in the region.
Community capacity		
Rosters reducing community participation.	Community capacity and cohesion between our employees and the local residents is at risk. However if we do not offer rosters which are appealing to our workforce then we risk losing skilled employees.	A consultation on the roster pattern is currently underway. Further action is needed to consider additional routes for integrating employees into the community in a manner which is appealing to everyone in the area.

SOCIAL MANAGEMENT PLAN



7.1 Introduction

The Social Management Plan (SMP) describes management commitment to addressing issues, mitigating any negative social impacts and promoting positive change through Anglo American operations in the Moranbah area. The SMP pulls together priority impact areas and issues to be addressed.

The SMP activities are actions to address current and emerging community issues. The action items are to focus on perceived negative impacts by Anglo American and to continue to support activities that have had positive outcomes for the community.

7.2 Management responses

The table below summarises the management measures identified to address each of the issues raised by external stakeholders during the SEAT consultation process.

MANAGEMENT RESPONSE	KEY STAKEHOLDERS
Local economy	
Create a strategic plan to build relationships with local businesses	Local businesses Local service providers
Review implementation of the Anglo American Local Procurement Policy	
Establish local procurement targets and KPIs	
Look at options to provide employee incentives to encourage local spend	
Engagement and communication	
Implement and report on a community communications plan (Community Grants)	All stakeholders
Continue to grow existing partnerships/collaborations and establish new partnerships/collaborations with Isaac Regional Council, Moranbah Traders Association, health, education and social service providers.	
Support local events through the Moranbah Social Investments & Donations Program	
Explore opportunities to profile Anglo American's mining activities in Moranbah	
Mine leadership attend local events (i.e. Anzac Day)	
Childcare	
Collaboratively work with key stakeholders to undertake a review of childcare needs and solutions	All stakeholders
Engage with existing childcare providers to explore balancing the needs of mining rosters with childcare booking systems	
Support projects that address the lack of adequate childcare options or barriers to increasing the number of childcare places available	
Education	
Continue to provide on-going support for apprenticeships /traineeships and school-based apprenticeships and Certificate II & III opportunities	Young people and student residents Education services
Explore programs to remove barriers to High School students proceeding to tertiary education	Anglo American contractors and employees
Increase Anglo American senior leader participation in High School career days	
Explore opportunities for students to undertake mining-related work experience	
Anglo American representatives participate on Blue Shed Advisory Board	
Explore with schools the opportunities to reduce absenteeism	

MANAGEMENT RESPONSE	KEY STAKEHOLDERS
Health and well-being	
Continue to play an active role on the Community Health Partnership group, including exploring options to conduct a feasibility study into making Moranbah a centre of excellence in mining-related health issues.	Anglo American contractors and employees
Explore options to provide additional mobile health services and specialist health service to employee and community	All stakeholders
Continue to provide local membership discounts	All stakeholders
Map skills alignment between SES, Fire and Rescue and mines rescue teams and consider training efficiencies	

7.2.1 Measuring progress

Anglo American is committed to moving to annual outcome reporting from three yearly SEAT reviews to improve the accuracy and relevancy of reporting. Moranbah Grosvenor complex aims to determine how successful they have been in creating difference in community areas and prioritising as part of SEAT.





NEXT STEPS AND RESPONSIBILITY

8.1 Responsibility for the SEAT process

Anglo American's stakeholder engagement team oversees the SEAT process with support from all appropriate site level functions.

9.0 References

The documents listed below are referenced in this document or are related to it.

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<https://www.dnrme.qld.gov.au/home/news-publications/news/2018/march/2018-statutory-land-valuations/isaac-regional-area-sees-increase-in-land-values>



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<https://www.economyprofile.com.au/isaac/trends/unemployment>

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<https://www.isaac.qld.gov.au/regional-overview>

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https://moranbahshs.eq.edu.au/Supportandresources/Formsanddocuments/Annual%20reports/2017-school-report_MSHS.pdf

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https://www.qcaa.qld.edu.au/downloads/publications/qcaa_stats_yr12_enrol_cert_2017.pdf

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<http://www.qgso.qld.gov.au/products/reports/bowen-basin-pop-report/bowen-basin-pop-report-2017.pdf>

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http://economic-contribution.qrc.org.au/_dbase_upl/econ-cont/Isaac_LGA.pdf

Government of Western Australia Mental Health Commission 2018, Impact of FIFO work arrangements on the mental health and wellbeing of FIFO workers, viewed 29 January 2019

<https://www.mhc.wa.gov.au/media/2547/impact-of-fifo-work-arrangement-on-the-mental-health-and-wellbeing-of-fifo-workers-full-report.pdf>

10 Contact details

Moranbah Town Office
 Shop 16, Moranbah Shopping Fair
 St Francis Drive, Moranbah QLD 4744

T +61 (0)7 4967 9907

www.angloamerican.com.au

11 Complaints and grievance procedure

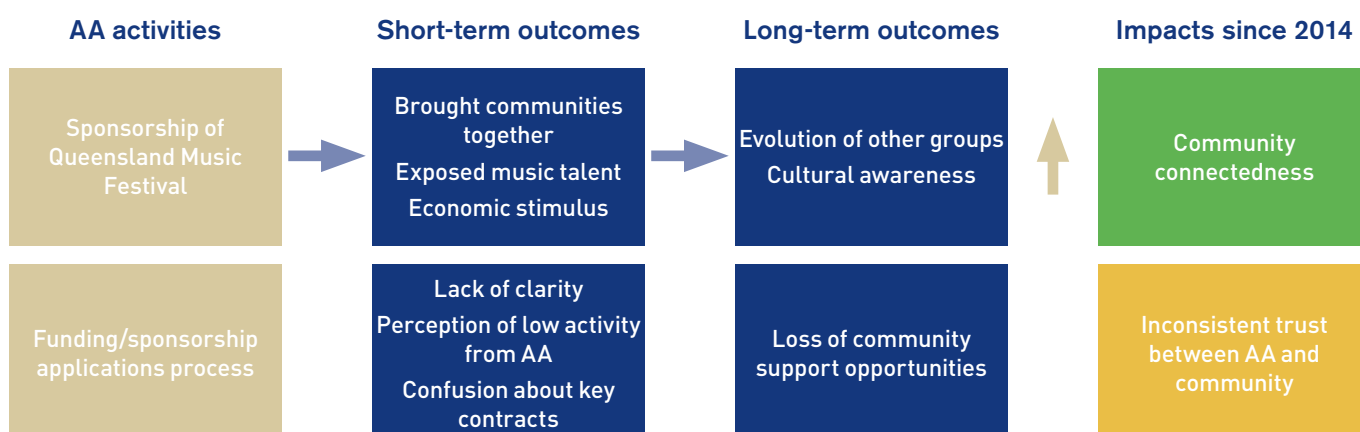
Please direct all enquiries to:

Moranbah Community Complaints and Grievances: www.angloamerican.com.au/our-operations

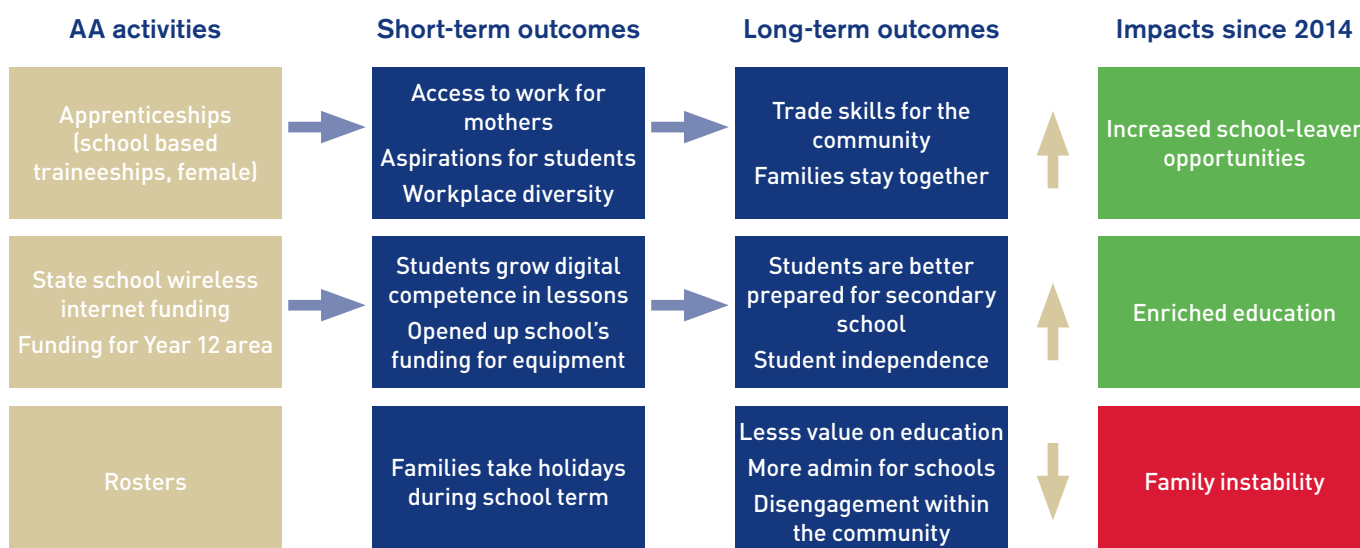
12 Appendix: Impact pathway reported by Stakeholders

The following impact pathways capture qualitative data shared by stakeholders during focus groups on the difference that Anglo American activities have made in their local areas. They show a logical chain of outcomes that they observed or experienced as a result of Anglo American's work. The final column summarises the overall impact in this area as positive (green), neutral (amber) or negative (red) taking into account the broader influences and data. The arrows pointing up or down indicate an increase or decrease in positive impact since the last SEAT report.

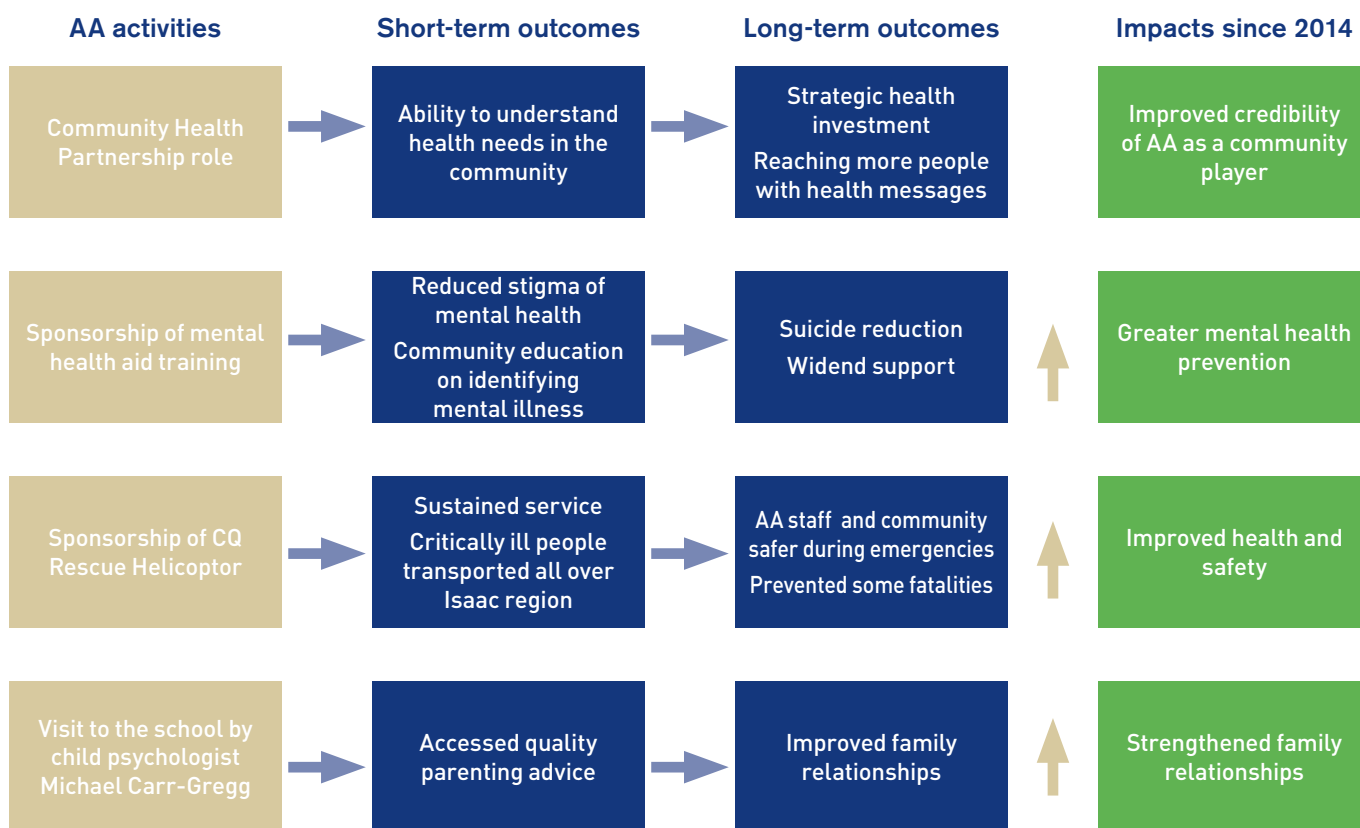
12.1 Community engagement and facilities



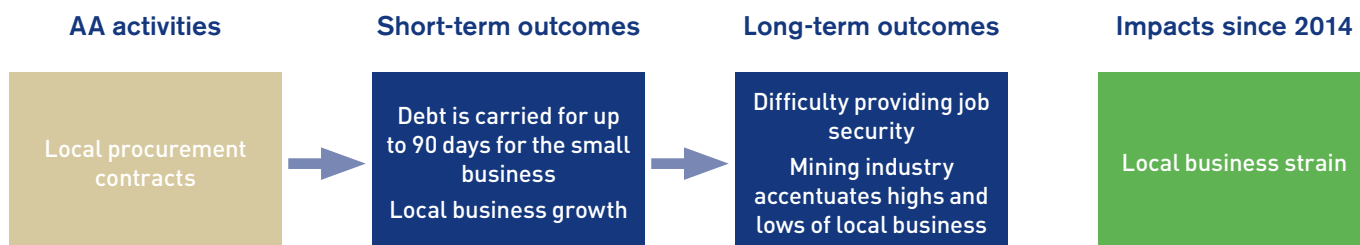
12.2 Education and Skills



12.4 Health, safety and social services



12.4 Local economy





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