

sustainable development report

2013 - 2014





Cover: Operator, Haylee Yarnold, and Trainee Operator, Wayne Knapp, at Meandu Mine in Queensland.

DBS Training Supervisor, Darren Rodgers, at Jellinbah Mine in Queensland.



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our sustainability commitment

Working sustainably is how we run our business. While we pride ourselves on the excellence of our work, we recognise that it's also our industry-leading approach to sustainable development that gives us a competitive edge. For us, this means fostering a culture of Zero Harm and high performance, maintaining strong relationships with our stakeholders, and caring for the environment and the communities in which we operate.



OUR business

At Downer Mining, our vision is to be the preferred provider of quality mining services throughout the regions in which we operate.

We have been successfully delivering contract mining and civil earthmoving services to an impressive list of global customers for over 90 years. We are now one of Australia's leading mining contractors, with turnover in FY2014 of approximately \$2 billion. We operate at more than 50 sites in Australia, New Zealand, Papua New Guinea, South America and Southern Africa, and began FY2015 with work-in-hand of around \$4.2 billion.

An essential part of our business strategy is to support our coal and metalliferous mining customers at all stages of the mining lifecycle. We do this through a wide range of services, including:

- Open cut mining
- Underground mining
- Blasting services (through our subsidiary DBS)
- Exploration drilling
- Crushing
- Tyre management (through our subsidiary Otraco International)
- Asset management
- Mine planning and design
- Construction of mine-related infrastructure
- Mine reclamation and land rehabilitation (through our ReGen business)
- Indigenous training and development.

Our parent company, Downer EDI Limited (Downer), is a leading provider of engineering and infrastructure management services to customers operating in a wide range of market sectors, including Minerals & Metals, Oil & Gas, Power, Road & Rail Infrastructure, Telecommunications and Water.

Downer employs more than 20,000 people, mainly in Australia, New Zealand and the Asia Pacific region, and, in addition to Downer Mining, has two other business divisions – Downer Infrastructure and Downer Rail.

For information on our current operations, please visit our webpage at www.downergroup.com/mining.

a message from our CEO



Despite tough market conditions, we remain extremely confident about our distinctive capabilities in performance and customer service, as well as our ability to capitalise on these strengths to implement strategies to ensure a sustainable future for the company.

During the year we have continued to win new business, strengthen our relationships with long-term customers and deliver significant Zero Harm improvements.

Working safely and taking care of each other remain pivotal to our success, and we are pleased to report a record Total Recordable Injury Frequency Rate (TRIFR)¹ for the year of 4.1 (down 23%) and a Lost Time Injury Frequency Rate (LTIFR)² of 0.4 – a 43% reduction. This has been largely due to a greater focus on, and more effective management of, our critical risks, and greater engagement with our supervisors in developing the necessary tools and competencies.

Health and well-being play an important role in keeping our people safe, and it was great to see our industry-leading approach to enhancing workplace health being externally recognised through the Queensland Government's Healthier. Happier. Workplaces – an initiative of

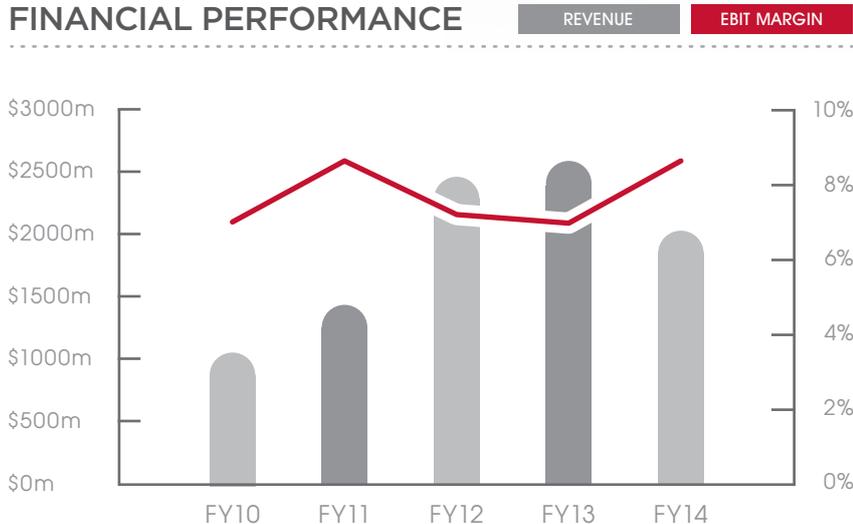
the Department of Health and a commitment under the National Partnership Agreement on Preventive Health (NPAPH)³. We were the first private sector company (and are one of only four across both public and private sectors) to have achieved this status so far.

On the environment front, we once again had no significant incidents. In addition, several proactive initiatives to improve our diesel efficiency contributed to our overall reduction in energy consumption, we recycled a greater percentage of our waste, and we introduced improved water management practices for both drought and flood conditions.

The mining industry has experienced significant pressure recently due to subdued commodity prices, particularly in coal and iron ore, and, as a consequence, our revenue dropped by 22.3%. Reduced production targets at a number of our sites and a move to owner-operator by some of our customers during FY2013 were also contributing factors. Notwithstanding the extremely competitive environment, we secured significant contracts and contract extensions across the country. These included:

- A new 4.5-year, \$500 million contract with Roy Hill Iron Ore for early mining services at the Roy Hill open cut iron ore mine in the Pilbara, Western Australia
- A new two-year, \$70 million contract with Crocodile Gold Corp for underground mining services at the Cosmo Gold Mine in the Northern Territory
- A five-year, \$200-250 million contract extension with Millmerran Power Partners for mining services at the Commodore open cut coal mine in South East Queensland
- A one-year contract extension until 2017 with Idemitsu Australia Resources for mining services at Boggabri open cut coal mine in New South Wales
- Three-year contract extensions for DBS with Yancoal Australia, Sojitz Corporation and Saracen Mineral Holdings totalling \$230 million, each comprising complete down-the-hole services.

DOWNER MINING FINANCIAL PERFORMANCE



1. Total Recordable Injuries include Medical Treatment Injuries, Lost Time Injuries and fatalities.

2. Lost Time Injuries are all injuries where more than a full shift was lost.

3. The NPAPH seeks to address the rising prevalence of lifestyle-related chronic disease by laying the foundations for healthy behaviours in the daily lives of Australians through settings such as communities, early childhood education and care environments, schools and workplaces.

our values

ZERO HARM

INTEGRITY AND ETHICAL BEHAVIOUR

COOPERATION AND TEAMWORK

VALUE CREATION AND CLIENT RELATIONSHIPS

OUR PEOPLE ARE OUR ADVANTAGE

INNOVATION

While our workforce reduced in response to the market, we managed to maintain our female participation at around 14%. We recognise that women bring valuable, diverse perspectives to our business, and, accordingly, gender diversity will be a key focus area for us in the year ahead.

In an industry first we have sought – and been awarded – exemptions from anti-discrimination legislation in New South Wales and Queensland to enable us to designate a specific number of waged roles for females at each of our sites, which will assist us in increasing the proportion of women in our workforce.

In addition, with a view to increasing the future talent pool, we were the first Australian mining company to offer The Smith Family's *Work Inspiration* program – a three-day work experience program aimed at educating and engaging with young people about careers in the industry.

I'd like to thank our customers for their loyalty, trust and continued confidence in our ability to bring value to their operations. And to our employees, I'd like to express my gratitude for the perseverance, resilience and support that they continue to display.



David Overall
Chief Operating Officer



MINING REVENUE BY LOCATION (FY14)

WESTERN AUSTRALIA	41%
QUEENSLAND	40%
NEW SOUTH WALES	12%
VICTORIA	3%
OTHERS	2%
NEW ZEALAND	1%
NORTHERN TERRITORY	1%



MINING REVENUE BY COMMODITY (FY14)

IRON ORE - HEMATITE	32%
COKING COAL	31%
COAL - THERMAL	23%
OTHER	5%
IRON ORE - MAGNETITE	5%
GOLD	4%



health & safety

At Downer Mining, Zero Harm is a value we live by each and every day. Working safely and taking care of one another are what we expect from our employees and others that work with us. Ensuring that each and every person returns home to family and friends safely is what matters most.

our **zero harm** approach

We recognise that to achieve our vision of being the preferred provider of quality mining services we must work safely. Our Zero Harm approach therefore underpins our planning, resourcing and work execution decisions.



HSE LEADERSHIP

building commitment and capability

EMPLOYEE RESILIENCE

developing and supporting initiatives that enhance our employees' health and well-being

CRITICAL RISK MANAGEMENT

ensuring practical workplace and work group risk controls

FIT-FOR-PURPOSE SYSTEMS AND PROCESSES

designed to enable productive and safe work

our health and safety performance

Once again, we have improved our Health and Safety (H&S) performance. In FY2014, our TRIFR dropped by 23% to 4.1 and our LTIFR dropped by 43% to 0.4.

Although it is pleasing to see a reduction in injuries, 45 of our workmates still required medical treatment because of incidents they suffered at work. Fortunately, due to our focus on managing our critical risks in the workplace, none of these injuries resulted in fatalities. These incidents are an important reminder that we must remain ever vigilant in our commitment to working safely and taking care of each other.

We completed 99.8% of actions arising from High Potential Incidents and injury-related incidents within the required timeframe. This is vital for ongoing safety improvement.

'Actions' may include risk assessments, registers, observations, meetings, inspections, incident investigations, health surveillance, hazard identification, communications, change management and audits.

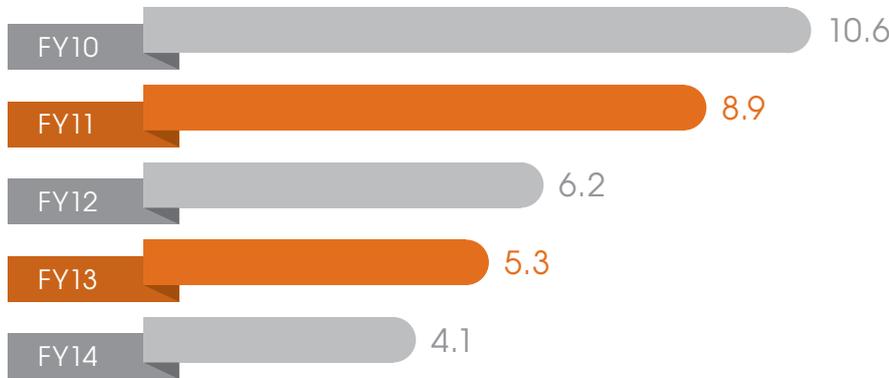
We also conduct Safe Behaviour Observations (SBOs) as a way of monitoring safe behaviour, providing feedback for improvement and tracking development. On average, our supervisors each completed 6.7 SBOs per month, which is well above our target of ≥ 4.0 . We also exceeded our target for the number of hazards identified per employee each month, achieving 0.7 against a target of ≥ 0.3 .

Once again, we are happy to report that we did not incur any safety-related fines or prosecutions.



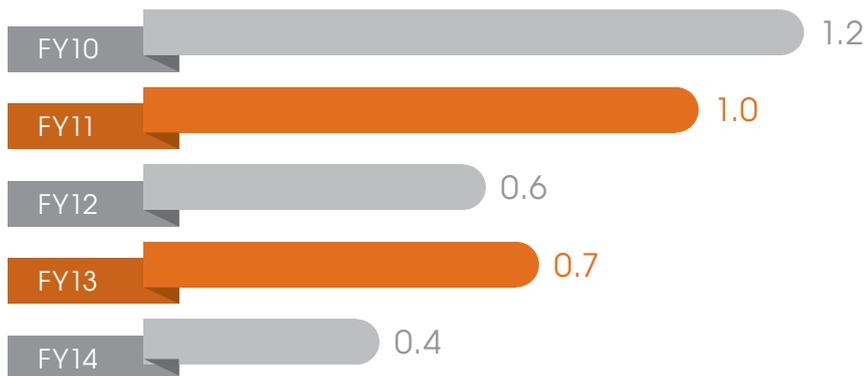
TRIFR

per one million man hours worked



LTIFR

per one million man hours worked



High five for reduction in harm to hands

A hand safety campaign developed by our Plant and Health teams more than halved the number of hand injuries sustained by our Maintenance employees.

After a sharp increase in the number of hand injuries during the first half of last year, the teams set about turning the trend around.

They researched where and how the majority of injuries occurred, and produced tools to remind people how to avoid these injuries in the workplace.

Posters and safety moment cards used cartoons to illustrate ways in which to avoid crush, cut and burn injuries, as well as the safe use of hand and power tools.

By the end of the campaign, total hand injuries had more than halved and there had not been one single burn injury.



MANAGEMENT OF CRITICAL RISKS

The nature of our work environments can often be challenging, therefore critical risk management is a vital part of our Zero Harm strategy.

The risk management approach we take revolves around:

- Capturing project and business risk exposures using aggregated experience, and systematic risk identification and assessment processes
- Implementing and maintaining practical controls
- Setting clear objectives and expectations for our people.

In FY2014, the following enhancements were made to improve our critical risk management:

System improvements

- Establishment of a risk management database
- Introduction of a process for risk assessing new equipment prior to commissioning
- Trial of a new critical risk task observation process
- Updates to procedures and task instructions to improve the recording and communication of risk controls

Leadership

- Update of the Health, Safety and Environment (HSE) Leadership course content to include practical leadership skills that complement existing technical risk management content
- Review of critical risks by senior management
- Review of critical risks and controls that apply to roles with a higher risk profile, such as our maintenance workers

Employee engagement

- Holding of employee risk communication workshops in Western Australia

- Roll-out of communication tools to support risk management, including a critical risk handbook, pocket card, posters and banners.

HSE LEADERSHIP

We expect all our supervisors and line managers to lead the way when it comes to keeping our workplaces safe. To support them in this, we provide training that equips them with the skills they need to be successful leaders and communicators. In FY2014, over 300 supervisors took part in our four-day HSE Leadership course. Course content was revamped during the year to ensure continued relevance to our business strategy.

FIT-FOR-PURPOSE SYSTEMS

Our H&S Management System is the tool we use to manage, capture and report on H&S across the organisation. It is part of the broader Integrated Management System (IMS) – our tool for managing risk, and incorporating operational, H&S, environmental, sustainability and quality management policies, standards and procedures.

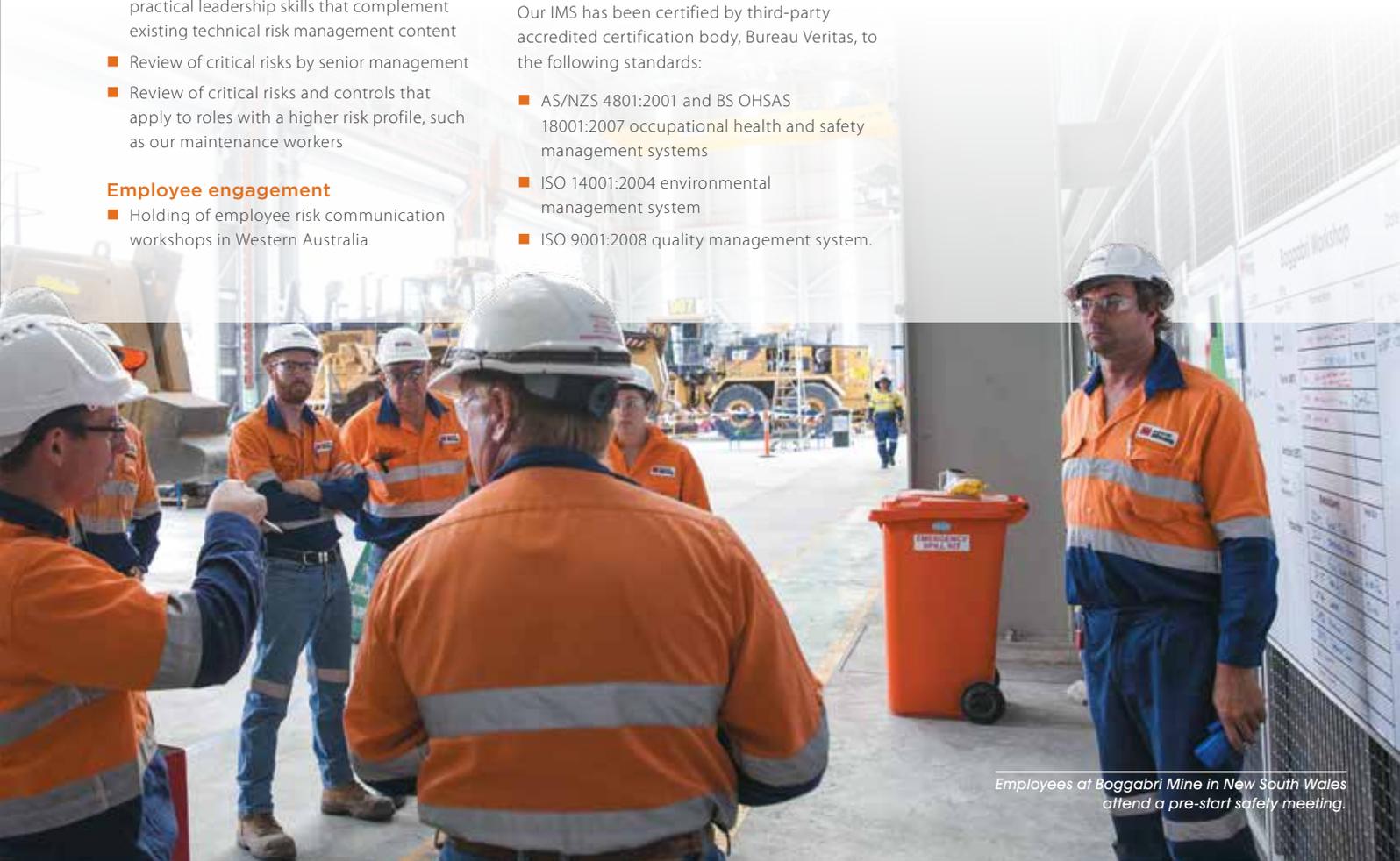
A project to improve the H&S Management System was completed in FY2014. The review and subsequent changes have resulted in improved system flexibility and efficiency to better suit our business needs.

Our IMS has been certified by third-party accredited certification body, Bureau Veritas, to the following standards:

- AS/NZS 4801:2001 and BS OHSAS 18001:2007 occupational health and safety management systems
- ISO 14001:2004 environmental management system
- ISO 9001:2008 quality management system.

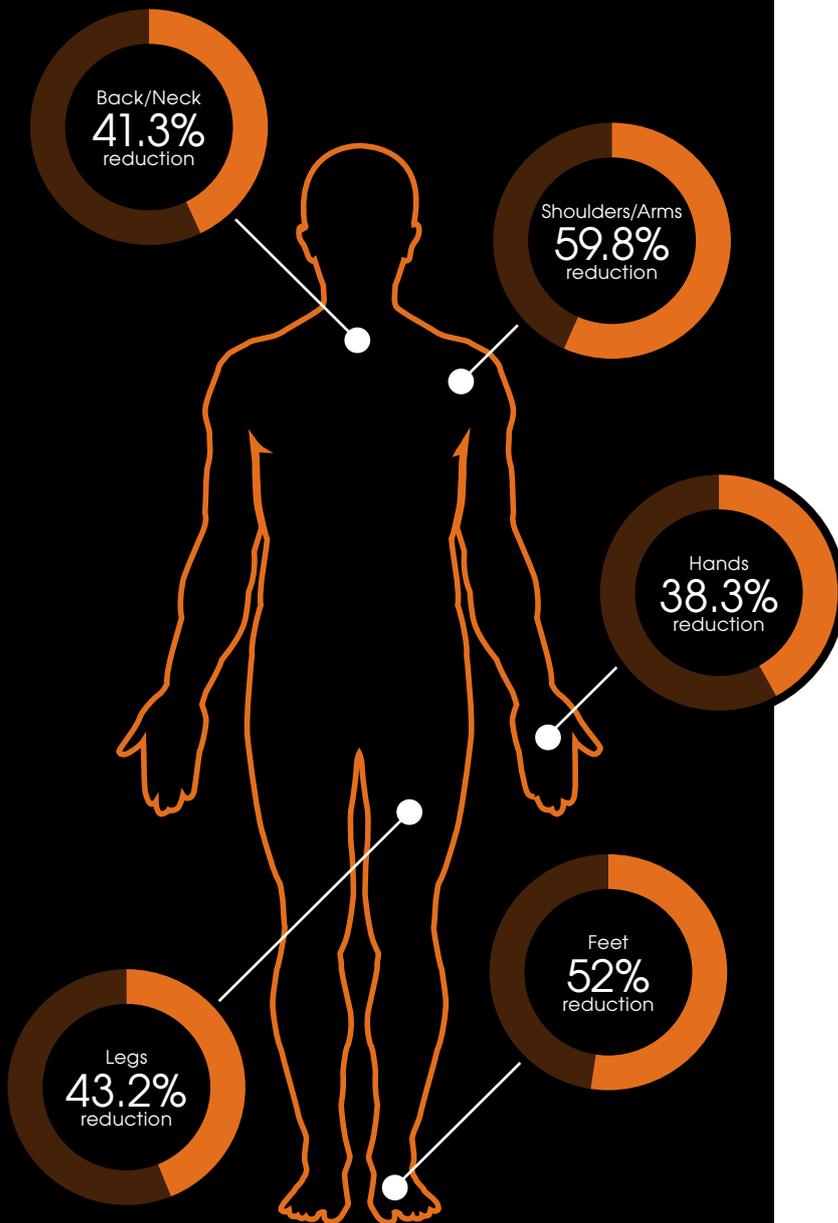


Heavy Duty Fitter, Dave Leathley, at Christmas Creek Mine in Western Australia.



Employees at Boggabri Mine in New South Wales attend a pre-start safety meeting.

injury reduction areas in FY2014⁴



4. Does not include injury categories where there were fewer than 10 injuries or injuries that were non-work related.

Otraco wins top prize at BHP Billiton's 2013 Contractor HSEC Awards

Otraco's Mount Whaleback team was the winner of the *Recognising Excellence in HSEC Initiatives and Performance Award* in BHP Billiton's 2013 Annual Contractor HSEC Awards for their innovative, simple and sustainable approach to eliminating incidents involving IN-80/95 tyre inflators.

After experiencing several failures of the retaining pin that holds the collet to the shaft on the tyre inflator, which caused the shaft to shoot forward under pressure while inflating, the team tried removing the collet, tapping a tread on the shaft of the inflator and placing a nut on the shaft behind the collet. The nut became the stopper that prevented the shaft from becoming a projectile in the event of pin failure, successfully preventing the problem.

They took their idea to Haltec, the manufacturer of the inflators, who subsequently supplied them with 50 units based on the new design for trial at Otraco sites.

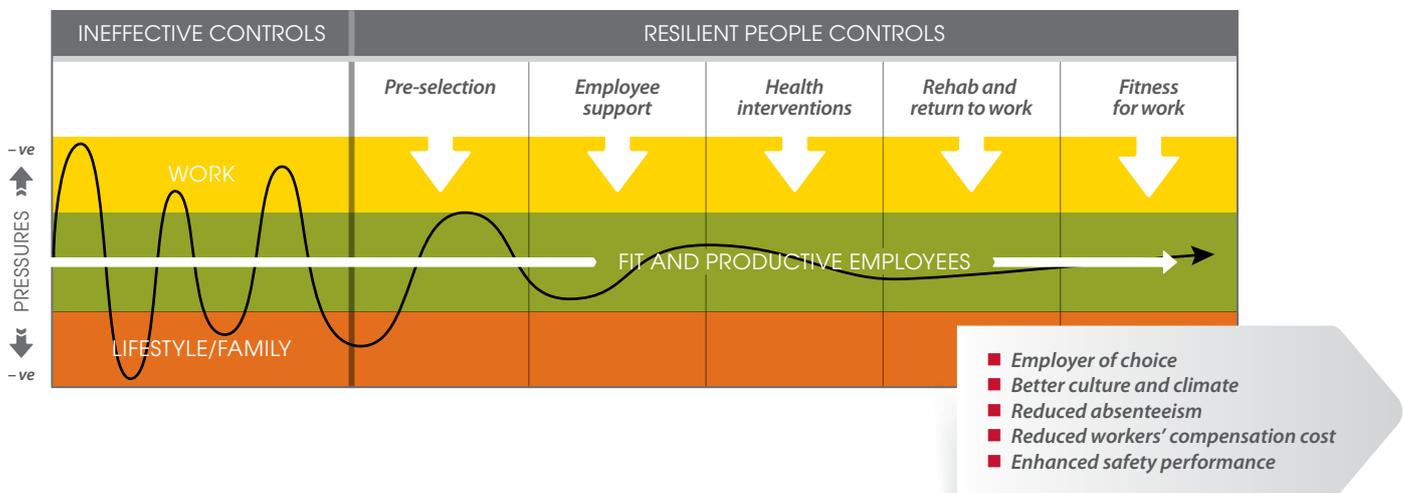
This simple, cost-effective modification has the potential for transferability throughout the industry, as well as reducing both further equipment failure and risk of personal injury.

Otraco Site Manager at Mount Whaleback, Anthony Lanciano, with the Recognising Excellence in HSEC Initiatives and Performance Award.



enhancing **workplace** health

At Downer Mining, we realise that every employee is unique, and that we all respond differently to varying levels of work-related and non-work-related pressures throughout our daily lives. Our Building Resilient People strategy recognises this diversity, and involves a range of early intervention support mechanisms and programs to help our people cope with these situations should they occur. In addition, our suite of proactive health programs encourages employees to make healthy lifestyle choices to help prevent injuries or illnesses from occurring.



In FY2014, our Building Resilient People strategy focussed on the following key improvement areas:

1. Pre-employment oversighting and periodic health surveillance

- New medical oversighting process implemented at east coast operations
- Periodic health surveillance model developed

2. Health promotion

- Four health campaigns delivered over a 12-month period
- Calendar containing health and well-being tips, information and resources given to all employees
- Healthy Lifestyle program launched at Boggabri

3. Mental health

- Mental health management framework developed, with an emphasis on early intervention and prevention of psychological health issues
- Mental health awareness training delivered to all DBS personnel
- Peer Support program developed and candidates chosen
- Employee support pocket guide developed and distributed nationally
- Mental health campaign rolled out across all sites

4. Workers' compensation

- Continued focus by the Health team on injury prevention
- Provision of internal psychological support for employees to assist with issues mitigation
- Provision of assistance to injured employees to help them return to work
- Continued positive trend in our workers' compensation measures



Level 2 Operator, Drew Curtis,
at Jellinbah Mine in Queensland.

supporting our employees

Due to the psychosocial demands often experienced in the mining industry and the increasing rate of mental health problems, we recognise that employees may need continuing support to cope with their work and lifestyle challenges. In addition to our Employee Assistance Program (EAP), which is delivered by an external provider, our in-house Health Advisors provide our employees with psychological support and counselling services, as well as mental health training.

For new employees, we include mental health awareness information in onboarding documentation and induction training. They are also provided with support material from *beyondblue*, our EAP provider and other community support organisations. To complement these resources, we have also developed an employee support pocket guide.

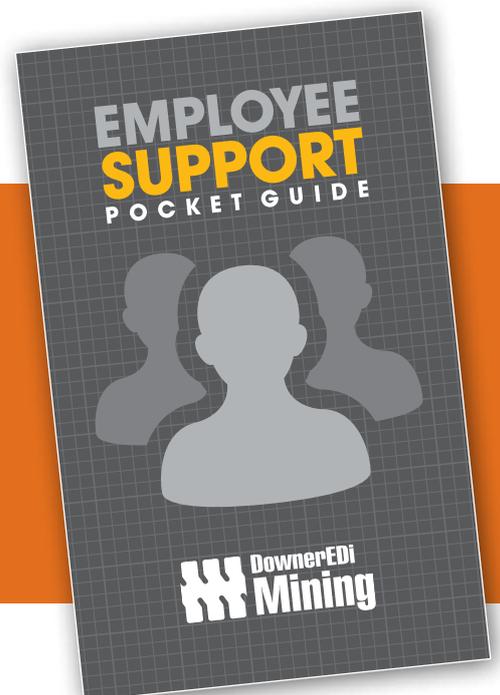
For existing employees, we provide mental health awareness training through Supervisor training days and the HSE Leadership course. In FY2014, we also developed a dedicated mental health awareness training program (see Building Resilience with Mental Health Training page 15).

Reducing the stigma around mental health is especially important in our industry. We therefore promote mental health awareness by participating in national R U OK? Day, Movember and Stress Down

Day events, and through our support of *beyondblue*.

We are also a keen supporter of Heads Up, an online tool developed by *beyondblue* and the Mentally Healthy Workplace Alliance, which provides mental health resources, information and advice for organisations. The site showcases a case study on the research we have conducted to understand the nature and scope of mental health issues within our workforce, and how this information can be used to manage and prevent issues, and improve psychological well-being.

In FY2015, our Health Advisors will undergo training to become Mental Health First Aid (MHFA) instructors, so that they can deliver in-house MHFA training to employees. MHFA training provides participants with skills to help them recognise the signs and symptoms of common and disabling mental health problems, and to provide initial help, including in a crisis situation, as well as teaching them where and how to get professional help. Discussions are underway, with MHFA Australia, to develop a mining-industry-specific supplementary guide book to accompany the standard course.



EMPLOYEES KICK THE HABIT WITH HELP OF QUIT SMOKING PROGRAM

Over 40 Queensland employees have given up smoking since the launch of our *Give Nic the Flick* 16-week quit smoking program two years ago.

The program combines regular counselling from Quitline with free nicotine replacement therapy products, such as patches, lozenges or gum.

It is run in conjunction with Quitline and Queensland Health, and is free of charge for our Queensland employees and their families.

We will continue to provide this program in FY2015.



GIVE NIC THE FLICK



ANDREW McEWAN

LEADING HAND,
GOONYELLA RIVERSIDE MINE

BUILDING RESILIENCE WITH MENTAL HEALTH TRAINING

As part of DBS's partnership with mental health support organisation *beyondblue*, during the year mental health training was rolled out to employees at our DBS Jellinbah, Curragh and Goonyella Riverside projects.

Facilitated by our Health Advisor – Employee Support, Donna Viner, who is an accredited *beyondblue* facilitator, the workshop equipped employees with the knowledge and skills to recognise and support workmates that may be experiencing depression or anxiety.

Around 1 in 5 women and 1 in 8 men experience depression at some stage of their lives⁵, so reducing the stigma around mental health was an important part of the training.

At the end of FY2014, we also launched a digital story on mental health awareness. The video tells the story of one of our Leading Hands, Andrew McEwan, and his personal journey with depression. The courageous video has been well received by our people, and we believe it will provide strong foundations for a cultural shift in talking about mental health issues in the workplace.

Andrew McEwan shared his experiences with depression in a mental health digital story.

Pocket-sized health guide ensures help is at hand

We gave each of our Australian employees an employee support pocket guide this year, with contact details for support organisations. Whether people are dealing with a mental health, relationship, financial, health, drug or alcohol issue, there is a contact in the guide that can help.

The guide fits easily in a pocket or wallet, so it can be carried and referred to at any time during a shift or at home.

our people leading safety

We encourage all our people to contribute to improving safety, and our HSE Awards are one of the ways in which we recognise and reward our people for the great work that they do.

Every year, winners across six categories – Best Overall HSE Performance for a Large Project, Best HSE Performance for a Short-Term/Small Project, Best Health and Safety Innovation, Best Environmental Innovation, Health, and Sustainable Development – are recognised for their contribution. Winners are awarded a plaque and \$5,000 to donate to a charity or community group of their choice (read more on pages 30-31).

GREASE GUN INNOVATION – A WELCOME SAFETY INJECTION

Working together, our Plant, Zero Harm and Operations Excellence teams have designed a system to eliminate the risk of high-pressure grease injection injuries – one of the most serious hazards to our maintenance people on site.

In January 2013, a serviceperson at one of our projects sustained a high-pressure grease injection injury while greasing the blade assembly on a dozer. His grease gun became stuck on the grease nipple. The line had blocked, causing the grease gun to pressurise. As he wiggled the line to pull the gun off the nipple, the nipple sheared off, and grease shot up under pressure, dislodging his safety glasses and hard hat, and hitting him near his right eye. He required emergency medical treatment and, ultimately, was airlifted to Brisbane for surgery.

On investigation, it became apparent that the industry standard for removing the grease gun in these instances was to wiggle it in a circular direction until it came off. With such high pressure in the grease system, it was clear that this was a hazardous practice that regularly put servicepeople at risk.

There had to be a better way, and so the team put their heads together to come up with a new way of safely releasing the pressure in the hose prior to detachment. The challenge was to find a simple, cost-effective solution that would eliminate the hazard without adding any additional steps to the greasing task.

The result was the Remote Grease Pressure Release System. The team engaged with Australian Diversified Engineering (ADE) to build a prototype unit to be trialled at two mine sites. The unique engineering solution comprised an electrically operated control unit, mounted on top of the service truck near the grease pumps and operated (from as far away

as 50 metres) by a simple garage-door-style remote control.

In the case of the grease gun becoming stuck, the remote control activates the system, which relieves the grease pressure back to the tank via a solenoid valve. A set of LED lamps in the lube cabinet indicates when the grease pressure has been released.

Feedback from service personnel involved in the trials has been that the release system is being used approximately once a week, meaning that one potential injury a week has been avoided. There is also an environmental benefit, in that when the pressure is released

from the system, the grease goes back into the tank rather than being spilled on the ground.

Following extensive testing, the system has also been applied to the bulk grease systems, and is now being installed on all Downer Mining-owned service trucks nationally.

The remote grease release system has started to gain interest from other mining companies, after being judged runner-up with a Highly Commended in the 2014 Safety Innovation Awards at the Queensland Mining Industry Health and Safety Conference – recognising the transferability throughout the mining industry of this simple solution to a serious problem.

Maintenance Training Officer, Wes Neundorf, uses the remote release system.





AWARD WINNERS

Our commitment to improving health was recognised at the 2014 Queensland Mining Industry Health and Safety Conference when we won the Health Award. The award recognised our industry-leading Enhancing Workplace Health program, aimed at improving employee health and well-being, and preventing injuries.

Pictured with their award are Regional Health Advisors, Bob Rosenberg and Natasha Palethorpe, Health Advisor – Employee Support, Donna Viner, and Group Manager Health, Shaun Smith.

H&S EXPLORATION

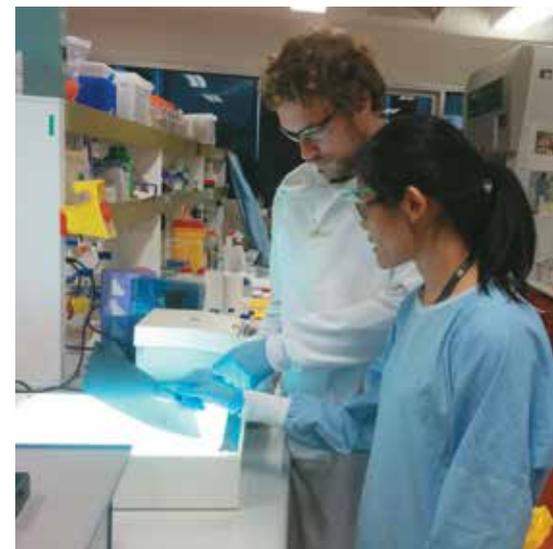
Downer Mining has a proud history of supporting research and innovation in health and safety, which includes our strong, six-year-long partnership with the Queensland University of Technology (QUT). In FY2014, we continued this tradition, supporting two research projects aimed at finding ways to prevent people from injury.

We are currently working with QUT to trial the use of sensor technology to measure exposure to physically demanding work at three of our Queensland projects. This work recognises that most injuries and disorders are of a cumulative nature, with less-demanding exposures repeated over time eventually leading to a reportable injury. The aim of this research is to identify the biomarkers or proteins that show that potential injury could occur.

Proteins found in urinary samples are identified and categorised using advanced technology, and validated against other measures, to determine whether or not specific proteins may be representative of tissue changes associated with varying physical demands. We hope that this information will lead to the prevention of injury and disorder.

In another partnership with QUT and Simtars (a Queensland Government research organisation), we are participating in research on the impact on the body of vibration when driving heavy vehicles. The aim of this research is to find better ways to control the risk factors of vibration and to prevent injuries to our operators.

Members of the QUT research team review outcomes of protein biomarker analysis.



our focus for FY2015

Zero Harm is a lived value at Downer Mining, and we are committed to improving our performance. In FY2015, we will continue to invest time and resources in keeping our people safe by doing the following:

Aligning our HSE Leadership course and supervisor capability framework

Refining our HSE approach to managing critical risk by focussing on both workplace and work group controls

Improving site leadership engagement and mentoring of supervisors

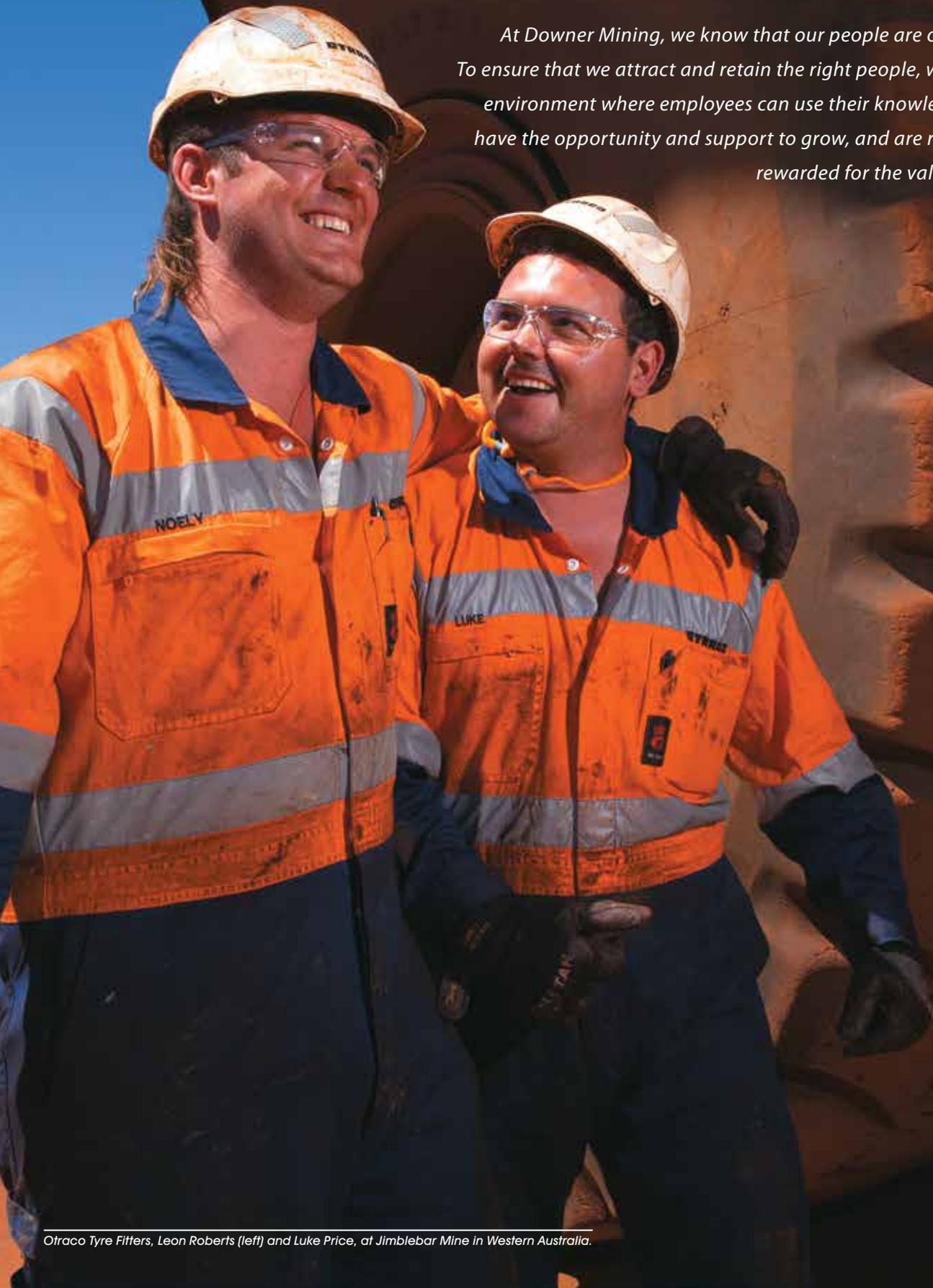
Developing a whole-of-business fatigue management tool

Rolling out further employee resilience campaigns

Continuing to foster a deep-seated culture within our organisation of 'working the right way', which is both productive and safe.

people

At Downer Mining, we know that our people are our advantage. To ensure that we attract and retain the right people, we offer a work environment where employees can use their knowledge and skills, have the opportunity and support to grow, and are recognised and rewarded for the value they create.



our people performance

In FY2014, our people continued to demonstrate a high-performance culture, delivering on what we promised despite extremely challenging and competitive market conditions.

We did see a 7.5% reduction in the size of our workforce from 4,704 in June 2013 to 4,350 in June 2014, due largely to revised customer requirements; however, employee retention⁶ was high at 83.9% and we met our attendance target⁷ of 97%.

3.98%

ATSI participation rate,
well above the industry
average of 3.1%

PROMOTING DIVERSITY

We recognise that diverse workforce participation is not simply a feel good issue; it is a very real economic issue for our industry and wider economy. There is a strong business case around improving our talent pool and overcoming critical skills shortages in key occupations. While we have strong embedded processes for the employment and retention of Aboriginal and Torres Strait Islander (ATSI) people, we realise that we are still on the early part of our journey with regard to increasing female participation. At 13.6%, the proportion of females in our workforce is slightly behind the industry average of 14%⁸.

Despite this, we are very proud of our achievements to date, some of which have broken new ground for the mining industry. They have included:

- Our successful applications to the Queensland Civil and Administrative Tribunal and the Anti-Discrimination Tribunal of New South Wales for gender exemptions to designate a specific number of waged roles to females at each of our sites over a set timeframe in the coming years.

In March 2013, the Anti-Discrimination Board of New South Wales granted us a two-year exemption to allow us to advertise for, recruit and employ 20 female mine operators per year.

In October 2013, the Queensland Civil and Administrative Tribunal granted us a five-year exemption from discrimination on the basis of gender in the area of employment to allow the advertisement, recruitment and employment of 10 new female operators per year at entry level at each of our five open cut sites in Queensland.

- Our subsequent female- and ATSI-specific recruitment drives, as a result of which we have employed 18 female operators, both trainee and experienced, at the Boggabri mine site in New South Wales over the past two years and 27 new ATSI trainees in FY2014: four at Boggabri; six at Otraco and 10 at Christmas Creek in Western Australia; and seven at Meandu in Queensland.
- Introducing three diversity awards into our Value Awards program (read more on page 26).
- Introducing recruitment shortlisting targets on the east coast of Australia for each 'job family classification' to shortlist at least one female candidate, provided they meet the substantive criteria for the role.
- Achieving an ATSI participation rate of 3.98% of our workforce, well above the mining industry average of 3.1% and over double that across all industries. Indigenous people make up 2.5%⁹ of the total Australian population.
- Being the first mining company in Australia to participate in the *Work Inspiration* program provided by our charity partner, The Smith Family. The program provides an excellent opportunity to influence the historical trend of female underrepresentation in the mining industry by engaging high school students and, more broadly, by attracting students to careers in the mining industry (read more on page 32). There was 40% female participation in the pilot program, and 80% of all students that attended reported they would likely change their subject choice based on what they had learnt through participating in the program.

⁶ Includes all employees leaving the company, both voluntary and involuntary, excluding redundancies.

⁷ Number of days lost due to unplanned absence divided by the number of planned shifts.

⁸ Australian Bureau of Statistics (ABS), August 2014 – excludes oil and gas.

⁹ ABS 2011 Census Counts.

INDIGENOUS PARTICIPATION

Despite the challenging market conditions and a slowdown in recruitment, we were able to offer roles to 54 ATSI people in FY2014, bringing the total number of ATSI employees in our business to 155.

To ensure that we are communicating work opportunities where it matters, we have partnered with local Indigenous employment organisations and corporations in key regional hubs. We also have a targeted Indigenous recruitment strategy. This is centred on community consultation and information sessions, where our people travel to communities to speak directly with potential candidates. Shortlisted candidates are then invited to site to undergo an assessment workshop, which gives them an insight into what it's like to work in the mining industry, and what growth and development opportunities are available for employees.



IAN SALTNER – TRAINEE OPERATOR

It took just three months of his 12-month Operator Traineeship at our Meandu project in Queensland for Ian Saltner to be deemed competent to operate three different models of haul truck.

"Since I started in June 2014, I've learnt lots of new things. How the mine runs, how to work safely, how to conduct vehicle pre-starts and what PPE to wear," he said.

Ian is of the Wakka Wakka people and grew up in Cherbourg, a small community of just 2,000 people in South East Queensland. One of nine children, he enjoyed footy, hunting and camping.

"I played a lot of rugby league for our local club when I was growing up. When I wasn't playing footy, I'd go hunting for traditional food, such as echidna, possum and kangaroo with my brothers and sisters."

Coming from a small community with limited job opportunities, Ian appreciated the chance to try something different.

"I heard about the traineeship through Employment Services Queensland, and was

interested as I wanted to learn new skills and to improve my family's lifestyle."

Ian has a wife and four children, aged between two and nine, so being able to work an hour's drive away suits him well.

"The job is good, as I get to come home to my kids and wife. Getting used to the hours and nightshift has been difficult, but people have helped me get used to it."

At the end of the 12-month program, Ian will have been trained and authorised to operate haul trucks and water carts.

"After the traineeship, I'd like to work in mining full time and get training for more machines, maybe even supervise a crew one day. I'd also like to encourage more Aborigines to apply for these kinds of opportunities."

Ian said his work crew has been supportive and that anyone wanting to take part in a traineeship should be willing to ask questions.

"Anyone interested in the traineeship should not be afraid to have a go, ask questions, and listen to what your workmates tell you as you can learn a lot."

Trainee Operator, Ian Saltner, in front of a Hitachi EH5000 haul truck, which is one of the machines he has learnt how to operate through the Operator Traineeship program.

developing our people

48

apprentices

APPRENTICESHIPS

Tradespeople are a vital part of our in-house maintenance support and asset management capabilities. Through our Apprenticeship Program, we are able to provide training that equips them with the high-level skill set we expect. We offer apprenticeships for a variety of trades, including Heavy Plant Mechanics, Electricians, Auto Electricians and Boilermakers. This year, we hired nine apprentices, bringing to 48 the total number of employees undertaking apprenticeships with us.

A large portion of our apprentices are mature aged, which is chiefly due to the nature and location of our work. We encourage new and existing employees to apply for our

Apprenticeship Program, especially those with a mechanical or engineering background. The program is competency based; however, with recognition of prior learning applied, the apprenticeship duration can be reduced.

We also offer our existing trade-qualified employees further training through our Trade Up-Grade Program. The program is aimed at providing our light- and heavy-vehicle servicepeople with training to bridge any gaps that may exist in their original apprenticeship training skill set, enabling them to gain a Certificate III Mobile Plant Mechanic qualification.

We will continue to recruit apprentices in FY2015.



TRAINEESHIPS

In a first for our business, in FY2014 we offered a Certificate III Warehousing Operations traineeship to our entry-level stores employees. This in-house training allows us to upskill our people using real-life systems and procedures.

Also this year, for the first time we provided our existing stores employees with the opportunity to undertake skills-gap training in the form of a Certificate IV or Diploma in Warehousing Operations. Upon completion, they not only gain a recognised qualification, but they are given the opportunity to assist our new trainees through career mentoring.

GRADUATE DEVELOPMENT PROGRAM (GDP)

Graduates are not only important for fuelling our talent pipeline, but also for increasing female participation in professional roles.

We recruited 12 male and five female graduates in FY2014 across nine disciplines, including mining, civil, mechanical and mechatronic engineering, health and safety, commerce, environment, human resources and surveying.



H&S Coordinator, Ian Fredericksen, and Trainee Storeperson, Melissa Gilbert, at Meandu Mine in Queensland.



“I started my career with DBS on the Shot Crew, progressed to Shotfirer and then became Lead Shotfirer. I am now a Mobile Processing Unit (MPU) operator. Working at DBS has given me the opportunity to progress, which has been great.”

MPU Operator, Leone Pearson, Christmas Creek



“I started out with Downer Mining as a Serviceman. In my second year, however, I was offered the opportunity to upgrade my Light Automotive Technician trade to a Heavy Equipment Fitter. I completed my apprenticeship in just over a year and have enjoyed using my new skills at our Blackwater project.”

Heavy Equipment Fitter, David Will, Blackwater

upskilling our people

SUPERVISOR CAPABILITY DEVELOPMENT

Building the capability of our supervisors has been an important area of focus for us this year. We have developed a Supervisor Capability Framework – a tool that outlines the ideal capabilities of a person in the role, and which is used to identify development opportunities for our Leading Hands, Supervisors and Superintendents.

Once individual development opportunities have been identified, a tailored plan for building capability is developed. This development is provided through a mixture of on-the-job experience, project work, secondments, training, mentoring and coaching. Some common areas for skills development have emerged, and, to meet this demand, we have designed specific training modules that are taught in-house by our Training team. These include From Buddy to Boss, Presentation Skills, Developing Others, Conflict Resolution, Attendance Management, Performance Improvement, Fundamental Computer Skills and Time Management. In FY2014, 246 employees took part in supervisor capability development.

SUCCESSION COACHING

We also piloted a Succession Coaching Program, aimed at supporting the engagement, development and retention of our high-performing senior site employees.

This involves the employee working in conjunction with the Training and Development Manager and their supervisor to develop an individualised plan that maps out their objectives, goals and strengths, and how they will leverage these. Monthly career coaching is also provided to ensure that they stay engaged and committed to moving forward.

Feedback from the pilot has been positive, with more employees planning to undertake the program in FY2015.

TANDEM

In FY2014, we implemented a new Training and Development Management System (TANDEM), which brings together our existing online training capabilities with an added platform for managing our employees' training records. The new system increases productivity and efficiency by improving information search, data entry, report generation and record transportation functions. The system has been implemented across four projects, with remaining sites to be completed in FY2015.

TANDEM was awarded a silver in the *Best in Compliance Training* category in the international Brandon Hall Group Excellence in Learning Awards.

In addition to the implementation of TANDEM, our Training team has updated all training documents for consistency and ease of use, and re-mapped all assessment booklets against the RII Resources and Infrastructure Industry

Training Package, which specifies the skills and knowledge required for workers to perform effectively in the mining industry.

Facilitated online inductions for both general site inductions and site-specific Standard Work Practices were rolled out across most sites, and a Training Management Plan was developed to ensure consistency and compliance nationally.

PERFORMANCE DEVELOPMENT AND FEEDBACK

To ensure productive conversations on people's performance and development, our salaried staff take part in an annual Performance Development and Feedback process. This allows them to discuss their development requirements and career aspirations with their managers.

Frontline Bogger Operator, Tyson Beard, operates a tele-remote bogger at Cosmo Deeps Mine in the Northern Territory.





Training and Development Manager, Rebecca Mahony, leads the successful Succession Coaching program pilot for site leaders.

taking succession coaching on site¹⁰

A new succession coaching program for Downer Mining's high-performing site staff is proving that it is never too early to invest in future leaders.

A lack of middle management benchstrength is a common concern of resource companies. But when it comes to succession planning, many make the mistake of focussing primarily on top-tier executives.

It was through conversations with Downer Mining senior management around how to retain and develop high-performing employees that training and development manager, Rebecca Mahony decided to spearhead a succession coaching program for senior site staff.

"At Downer Mining, we do supervisory level leadership programs well. We also do quite a lot of work with our senior management team and have a strategic leadership program that incorporates business and commercial drivers," Mahony says.

"However, with people in the middle, such as senior site staff, there was a gap."

With more than a decade's experience in resource industry

workforce development, Mahony knows that the optimal time to invest in retention is when intense competition for labour cools and turnover declines.

An engaged and stable group of employees working on Downer Mining's mining services contract at Fortescue Metals Group's Christmas Creek iron ore project in the Pilbara provided the perfect candidates for a pilot program.

"Our leadership at Christmas Creek has invested in the business for a long time. We wanted to recognise their stability, engagement, aspiration and exceptional performance," she says.

As the sole program facilitator and coach, Mahony originally offered succession coaching to five employees operating at superintendent level or higher; however, the group was later extended to eight following strong interest from the workforce.

"Everyone was excited to start developing themselves in a different way – outside of a training course," Mahony says.

Read the remainder of the article at www.amma.org.au/RP/Issue008_Spring2014/index.html#12

recognising outstanding contributions

VALUES AWARDS

Our values underpin the culture, beliefs, expectations and goals to which we collectively subscribe. Our Values Awards aim to encourage and reward employees who reinforce or enhance our culture through upholding our values, as well as recognising their everyday or extraordinary behaviours and accomplishments in the workplace.

Our Values Awards relate directly to one of our values and include:

- The Peter Kerr strongest focus on our people award
- The Andy Roessel prominent display of integrity and ethical behaviour award
- Superior value creation and client relationship development award
- Best improvement through innovation award
- Achievement through cooperation and teamwork award
- Embodies the value of Zero Harm award.

In FY2014, we introduced three diversity awards:

- Diversity champion
- Female operator/tradesperson
- Indigenous role model.

10. Resource People, Issue 008, Spring 2014.



DIVERSITY VALUES AWARDS WINNERS

Female operator/tradesperson:

Mine Production Operator, Rachel Cameron, Christmas Creek

As one of the best production operators at Christmas Creek, Rachel has quickly climbed the ranks from Haul Truck Operator to Liebherr 9800 Operator. Her exceptional safety performance and commitment to achieving a high standard in everything she does sets a great example for other operators and women within our business.

Indigenous role model:

Production Superintendent, Casey Nona, Roy Hill

While working at Christmas Creek, Casey took it upon himself to mentor and coach Indigenous employees, especially those from Fitzroy Crossing, to ensure that they remain with the business long term. He did this by assisting in their onboarding and providing ongoing performance feedback.

Diversity champion:

Training Superintendent, Charlotte Fanthorpe, Stockton

Since Charlotte started working at Stockton eight years ago, the number of female operators employed at the mine has increased from three to 26. This is largely attributed to Charlotte's passion for giving women in the industry the same opportunity as men, and the instrumental role she played in developing and implementing the female-targeted Mining Operator Traineeship Program.

Diversity Award winners (from left): Casey Nona, Rachel Cameron and Charlotte Fanthorpe.

our focus for FY2015

Empowering our people to contribute their best, and providing support for their growth and development, will remain at the centre of our business strategy, which includes:

Continuing to roll out gender diversity initiatives, with a particular emphasis on mentoring

Rolling out the Succession Coaching Program to more site leaders

Developing an employee engagement framework to learn where and how to improve engagement with our people

Improving our onboarding process to drive early engagement for improved productivity and safety of our new employees

Developing a new HR reporting tool to provide more variables for data analysis.



community

We work within many communities across Australia and overseas and, whether involved in short- or long-term projects, we are committed to fostering meaningful relationships and contributing to initiatives that create lasting benefits for our host communities.

community investment

Our Community Investment strategy provides financial and in-kind assistance to those organisations and initiatives that best align with our vision and values. In FY2014, we partnered with a number of organisations that focus on improving health, well-being and educational outcomes for community members.

THE SMITH FAMILY

In October 2013, we began a three-year, \$150,000 partnership with The Smith Family. The Smith Family is Australia's leading education-oriented charity, and our FY2014 \$50,000 donation contributed to the organisation's *Learning for Life* program. The program aims to help disadvantaged children and young people gain an education by providing emotional, practical and financial support. Outcomes for young people undertaking the program include an increased likelihood of remaining engaged with school, completing Year 12, and developing realistic and informed study and career pathways for life beyond the school gate.

FOOD RESCUE

We commenced a three-year partnership with Perth-based Food Rescue in 2012, and contributed \$55,000 in FY2014 towards the organisation's work in rescuing thousands of tonnes of fresh, nutritious food for distribution to thousands of hungry and disadvantaged people in need. So far, Food Rescue has salvaged a staggering 500,000 kilograms of food and currently aids over 16,000 individuals in the community through a distribution network to over 46 charities. Since the partnership began, we have contributed a total of \$110,000 to Food Rescue.

RACQ CQ RESCUE HELICOPTER

In FY2014, we partnered with the RACQ CQ Rescue helicopter service, contributing \$40,000 to support the organisation in providing emergency rescue and medical assistance to those living in Central Queensland. The team from our Norwich Park project donated an additional \$10,000 from prize money they won in our HSE Awards.

BRIGHTWATER CARE GROUP

FY2014 is the second year we have partnered with the Brightwater Care Group, an organisation specialising in rehabilitation for people with severe acquired brain injuries. We initially donated \$75,000 towards the construction of the 'Learning Hub' at Brightwater's redeveloped and expanded Oats Street complex. This year, we contributed \$25,000 towards the development of a foundation to research the science behind the successful 'Oats Street Program' so it can be replicated elsewhere, both nationally and internationally.

THE RONALD McDONALD HOUSE, PERTH

We contributed \$30,000 this year to the Perth Ronald McDonald House expansion project. The project will triple the size of the existing Ronald McDonald house by 2015, and provide accommodation facilities for families that have had to travel to Perth to receive treatment for their seriously ill or injured child. Our employees in the west also donated to the cause, raising an impressive \$20,000 through a raffle.

SPONSORSHIPS AND DONATIONS

In addition to our significant partnerships, we also provide funding and in-kind support to many smaller or more localised community groups and organisations. In FY2014, we were delighted to support many initiatives aimed at improving health, well-being, education and economic development. For example, we once again sponsored the Papua New Guinean Tabubil Cats Rugby Union Club and were the naming rights sponsor of the South Burnett Wine and Food in the Park Festival.



Our Ok Tedi Exploration Drilling team recently notched up five years as the major sponsor of the Papua New Guinean Tabubil Cats Rugby Union Club, giving the team the opportunity to compete in some of Australia's premier rugby tournaments.

The Tabubil Cats at the Bondi Tens tournament in Sydney.



“Education has the power to change lives and break the cycle of disadvantage.”

www.thesmithfamily.com.au



Our DBS team has painted a truck blue to help raise awareness of mental health issues, such as depression and anxiety, and to remind people that help is available. While the truck was at Jellinbah Mine, for every tonne of product it delivered, DBS donated \$1 to *beyondblue* – an organisation that provides mental health information and support. Our customer, Jellinbah Resources, generously matched our donation, lifting the amount raised to nearly \$3,000.

DBS operators, Darren Edmunds (left) and Drew Curtis, with the blue truck at Jellinbah Mine in Queensland.



supporting our employees to support our communities

We understand it takes passionate and engaged community members to create a strong social fabric. Our goal, therefore, is to encourage our employees to positively contribute to the communities in which we operate, to help us build lasting benefits for those communities and to ultimately safeguard our social licence to operate. By doing this, we also hope to cultivate greater employee engagement within our business.

JAWUN PARTNERSHIP

Following a successful pilot last year, Downer began a five-year partnership with Jawun – an organisation that finds skilled people in corporate Australia and connects them with Indigenous communities to share knowledge and expertise to create beneficial change. DBS's Zero Harm Manager Operations, Paul Lamprecht, took part in the Jawun pilot, assisting locals to develop the scope for a Men's Shed in the community of Warmun in Western Australia.

Following the successful pilot, two more Downer Mining employees were selected to assist with projects in the West Kimberley region. Christmas Creek Mobile Plant Operator, Peter Little, commenced his secondment in June 2014, and Site Support Officer, Mark Fitzgerald, will complete his secondment in FY2015.

HSE AWARDS

Our HSE Awards are designed to encourage and reward our people for their health, safety and environmental initiatives, with the added benefit of allowing them to choose to which charity organisation they donate the \$5,000 they win. In FY2014, a total of \$25,000 was donated to charities by the winning teams.



MY JAWUN ADVENTURE

Peter Little, Mobile Plant Operator, Christmas Creek

Where were you based?

I started my six-week secondment with Jawun on 2 June 2014, in the town of Broome.

What were you tasked with?

I was asked to assist the Kimberley Land Council Aboriginal Corporation (KLC) – an organisation that represents the Traditional Owners of the Kimberley region.

Not only is the KLC the Native Title Representative Body for the Kimberley Region, it also runs the Land and Sea Management Unit, which includes the Kimberley Ranger Network, Indigenous Protected Areas and a variety of area-specific initiatives.

Jawun secondee, Peter Little.



Our Blackwater team won Best Overall Performance in the HSE Awards and donated their \$5,000 to Dads in Distress – an Australian charity that supports dads through marriage break-ups, separation, depression, child access issues and family courts.

From left are HSE Compliance Officer, Zoe Anderson, HSE Superintendent, Graeme Shield, HSE Coordinator, Freya Perrins, HSE Compliance Coordinator, Shaun Buckley, Project Manager, Wes Ross, and Health Advisor, Ben O'Neil.

Our team at Redmont won the Best HSE Performance for a Short-Term/Small Project and made its donation to St John Ambulance Albany – an organisation providing first aid and social support services to the community.

St John Ambulance volunteers from left are Bridget Eckersley, Garth Roberts, Stacey Abbott and Dylan Williams, with their Regional Manager, David Schrober, and Redmont's Project Manager, Nigel Taylor.



I used to own my own IT business, so I was asked to create computer program manuals and training packages, and provide one-on-one computer training and troubleshooting help.

What was the highlight of your experience?

I really enjoyed making the 2,800km round trip out to Billiluna and Mulan – Indigenous communities near the Northern Territory border. The communities had been without Internet since Christmas, so we made the trip out there to try and get things back up and running. This involved working with a community member to re-run network cables and set up equipment.

The Rangers need the Internet and computer systems to store and share important information about such things as pastoral leases, native titles and animal pest control,

so it felt great when we got their systems working again.

What did you find challenging?

It was a new experience for me having to work closely with people from all over Australia and with a variety of personalities, but this proved to be a good learning experience. I also found it hard being away from my young family for six weeks straight.

What made this experience unique?

Coming together with a group of strangers to share my skills with others was something I had never done before on such a scale. I am grateful it turned out to be such a rewarding experience.

How do you think you added value to the community?

By the time I finished my secondment, I had completed all the manuals the council

needed and had upskilled the Rangers. I think these simple improvements will make a big difference down the track.

What did you get out of this experience?

Sharing my skills with others was really satisfying. The secondment also gives you the opportunity to grow personally and broaden your knowledge of the Indigenous culture. I was also lucky to be able to do some exploring – visiting a dinosaur's footprint, making spears and taking part in four-wheel drive training were definitely highlights.

Would you recommend this experience to others?

Absolutely. The experience will challenge you, broaden your horizons, and give you the chance to share your knowledge and skills with those that really appreciate it.



THE SMITH FAMILY PROGRAMS

As part of our partnership with The Smith Family, we encourage our people to take part in various programs and initiatives, including mentoring school students, donating books and toys for disadvantaged children, volunteering time to wrap gifts, and taking part in the *Work Inspiration* program. The first year of our partnership has proven very successful; in particular, the *Work Inspiration* program we ran was the first of its kind for an Australian mining company, and proved beneficial for both our employees and the schoolchildren involved.

INSPIRING THE NEXT GENERATION OF MINERS

The innovative *Work Inspiration* program is a work experience program that aims to broaden students' perspectives and develop their career aspirations.

We invited 20 Year 9 students from four Brisbane high schools to our head office to take part in the pilot for the mining industry. The three-day program involved three career engagement activities, or 'insights', that enabled students to experience the world of work by learning about themselves, the mining industry and the career journeys of some of our team.

The program originated in the UK, and The Smith Family worked with the Foundation for Young Australians to adapt it for Australian employers.

Fourteen-year-old Thomas Grant said the program at Downer Mining was an amazing experience, so much so that he didn't want to leave:

"Prior to visiting Downer Mining with the *Work Inspiration* program, I had no idea what I wanted to be, or study in senior school and university. Attending this program has literally and most likely changed the course and direction that I will take for the rest of my life, and for that I am truly appreciative.

"After the three days, I didn't want to leave Downer Mining. The *Work Inspiration* program was just that inspiring. The thought of going back to school afterwards only made me want to study harder to get to where I want to be in life.

"This program has inspired me to now give great consideration to engineering as something that I may be interested to study in the future.

"I decided to do the program because I thought it would be a really good gateway into my future work. I was told it was a *Work Inspiration* program about mining, but I didn't know anything until

the first day. I thought it would be a really good opportunity because my mum is already pressuring me about what I want to do when I grow up.

"My favourite part was meeting new people and talking with all the staff. I enjoyed doing a presentation at the end about a chosen person's career path. I also learnt so many different facts about mining.

"A positive outcome for me is that I think I know what I want to do when I grow up. All the staff that talked to us helped heaps in pointing me in the right direction because I had no idea what I wanted to be. Now I want to go down the path of engineering. And now that I know that, I can focus on what I need to be doing to be an engineer, and that's a positive outcome for me.

"Before the *Work Inspiration* program, I hadn't been thinking about engineering at all. I was worrying about thinking about a job, but I never went down the path of engineering or mining.

"Now I think I want to be a health and safety engineer. I talked to one of the health and safety engineers, and he reminded me a lot of myself. He genuinely cares about people's safety and well-being. He ran a little program about what a health and safety engineer does. It was only 10 minutes, but a lot came out of it for me.

"I do think everyone got a positive outcome or something good out of the program. I would recommend it to anyone.

"All the staff were professional and informative, and the facilities were most impressive. Overall it was an amazing experience. The people I interviewed were obviously hard at work, but they closed their computer and talked to us. Everyone was really welcoming to the students. I loved it so much and I wish I could do it again."¹¹



FY2014 is the second year we have partnered with the Brightwater Care Group. Pictured during a tour of the Brightwater Oats Street Facility are (from left): Downer Group Non-Executive Director, Kerry Sanderson; Chairman of the Brightwater Board, Steven Cole; our Chief Operating Officer - West, Mike Sutton; Oats Street client, Michael Ellison; Brightwater General Manager, Services for Younger People and Major Projects, Jennifer Lawrence; and Brightwater Executive Manager Philanthropy & Partnerships, Ian Craig.

our focus for FY2015

We are proud of the contributions we made to our communities in FY2014, and plan to increase our in-kind assistance and leverage our partnerships in FY2015 by:

Continuing our Australian partnerships with The Smith Family, Brightwater Care Group and Food Rescue, and forming a new partnership on the east coast

Investing in the Mogalakwena Mine Sustainable Development Program – a program aimed at improving the economic, health and education outcomes for the people of the South African Mogalakwena community

Partnering with the Royal Brisbane and Women's Hospital (RBWH) in a study to determine whether there is a correlation between burn accidents resulting from work or leisure activities and age, knowledge and risk awareness. Some members of our Otraco team will directly participate in the research

Proactively seeking and supporting opportunities for our employees to participate in, and contribute to, community-building initiatives.

environment

Being environmentally responsible is a core value for our business and, with our proactive approach, we have been able to consistently deliver strong environmental results for our business and our customers.

our environmental performance

At Downer Mining, preserving the environment and operating sustainably are vital to our success and longevity.

We work hard to maintain our zero environmental infringements and prosecutions record, and our robust processes and systems allow us to manage, monitor and constantly improve our environmental practices.

We know it's as important to measure and manage our own environmental impact as it is to work with our customers to develop solutions that minimise the environmental impacts of their operations.

INCIDENTS

There were no significant environmental incidents reported at our operations in FY2014. Our Minor Environmental Incident Frequency Rate rose by 48%; however, this increase is a positive outcome as it indicates a strong reporting culture, reduces the likelihood of more significant environmental incidents occurring, and ensures continued improvement of controls and monitoring.

Environmental incidents are reported and managed through our ISO 14001-certified Environmental Management System, a key component of which is our Compliance Register program. This enables our teams to routinely monitor their site's environmental performance against legal obligations specific to location, operation and commodity type.

WATER

Water is critical for dust mitigation at our mining projects and for the production of emulsion at our blasting services manufacturing plants. As water management needs vary so considerably across the country, we develop site-specific water management solutions for each of our operations. This is facilitated by OPSIM™ modelling software – an operational simulation model for water resources systems that is specifically tailored for mining and industrial applications.

We have a zero non-compliant discharge philosophy at our operations and ensure that any mine-affected water is appropriately managed. We also research ways to minimise our water consumption.

At our blasting emulsion-manufacturing facilities, we strive to minimise mains and bore water use by capturing rainwater or recycling water through the manufacturing plant. At our emulsion-manufacturing plant in Tasmania, we use 100% captured rainwater in the manufacturing process.

In FY2014, we collected baseline data for a new water indicator – ratio of scheme/town/bore-supplied water compared with recycled water/rainwater used for emulsion manufacturing¹² – and achieved 31.9% use of recycled water/rainwater.

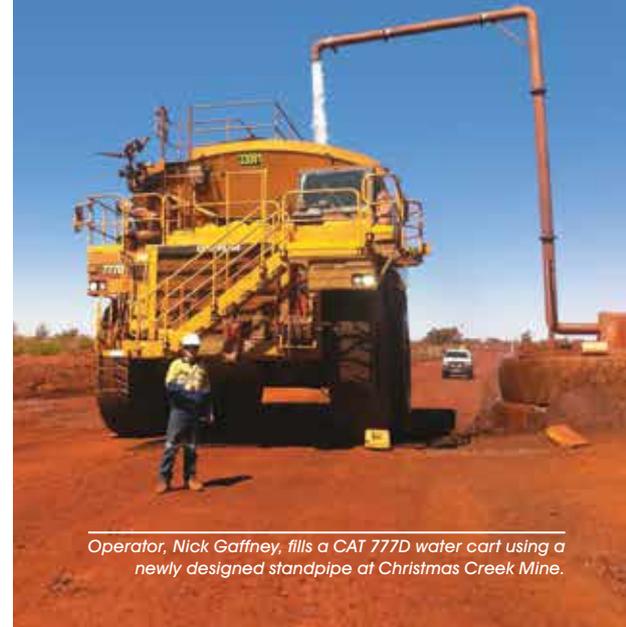
¹² At our Mt Thorley and Savage River emulsion-manufacturing sites.

Simple standpipe modification a standout

Management of water is especially important at our Christmas Creek operation in Western Australia, where on average only 20mm of rain fall in the winter months of June to September. A simple standpipe modification that has reduced both water use and the time taken to fill equipment, has therefore been a welcome innovation, and one which our customer, Fortescue Metals Group, has now chosen to adopt across the entire site.

There are 11 standpipes at Christmas Creek for filling water trucks. Our team recognised that improvements could be made to the design to help prevent water wastage and filling inefficiencies. They fixed a new head to the standpipe outlet, with specially placed fins to reduce the swirling motion of the water as it came out of the pipe causing spillage.

After we'd successfully modified two standpipes in September 2013, our customer approved modifications to the rest.



Operator, Nick Gaffney, fills a CAT 777D water cart using a newly designed standpipe at Christmas Creek Mine.

29.8%

waste recycled at Boggabri,
Meandu and Commodore

BIODIVERSITY

We operate in many different parts of Australia, and each site has its own unique environmental and cultural heritage sensitivities. Our management tools are therefore modified for each customer's specific environmental requirements.

In FY2014, we took part in a regionally coordinated feral animal control program at our Commodore project, where we've also been involved in weed control programs.

WASTE

At each of our operations we work within the waste management hierarchy of reduce, reuse and recycle to minimise our environmental footprint and reduce costs. We exceeded our waste recycled target by nearly 9% this year, achieving 29.8%¹³.

A waste segregation project completed at our Boggabri site aims to significantly reduce waste costs in FY2015. One of the initiatives is to reuse air filters on site. This involves sending

them away to be cleaned, instead of replacing them, which will reduce the volume of air filter waste and save around \$150,000 in disposal and procurement costs.

By using preferred suppliers, we have been able to reduce the amount of packaging going to sites through bulk provision of goods and, where possible, we provide recycling at our sites.

Waste that cannot be recycled or reused is discarded safely and securely in accordance with regulatory and site requirements.

NOISE, VIBRATION AND DUST

Inevitably, noise is created on our sites through the operation of heavy equipment and blasting. We use noise monitoring to gain a better understanding of potential issues, and take proactive measures to ensure that we meet or exceed compliance and community expectations.

Along with noise, we strictly monitor dust, blast fume and air-blast overpressure. We recognise

¹³. At Boggabri, Meandu and Commodore only.



that every site is different, so we employ tailored dust management solutions, which include the use of proven dust suppressants, ranging from water extenders and crusting agents in dynamic areas of the pit, to more permanent solutions requiring a complete haul road management system.

GREENHOUSE GAS (GHG) EMISSIONS INTENSITY

Although we improved our overall energy consumption (GJ/tonne km) across our projects, the drop in our business revenue and the increase in mining strip ratio during FY2014 resulted in a 26% increase in GHG emissions intensity against revenue compared with FY2013.

ENVIRONMENTAL COMPLIANCE AND RISK MANAGEMENT

Robust governance and compliance processes are pivotal to maintaining a strong environmental sustainability performance. Our well-established systems and processes cover

each phase of the mining operation – from start-up through to operations and, ultimately, to closure. To ensure that a regular assessment of performance against our environmental compliance obligations is undertaken, all our projects and facilities complete a monthly compliance register.

In FY2014, we also completed an environmental compliance and risk review program. Key environmental risks have been highlighted, and associated control measures have been identified for implementation during FY2015.

For more information on our high level of environmental compliance, please refer to our capability statement at www.downergroup.com/Businesses/Downer-Mining/Environmental-Sustainability.aspx.



Cost-effective water diversion solution

At the Stockton mine on South Island, New Zealand almost six metres of rain fall every year, much of which flows into the open pit. Treating the water and then pumping it out of the pit, or building a conventional diversion drain through ground that is unstable and potentially acid-forming in parts, would have been a difficult and costly exercise.

Instead, the Environment team constructed a 164-metre diversion drain along a gently inclined contour using wire netting and the type of geotextile cloth that is usually used for sediment control. The fence helps to guide the clean water along the contour and around the operations area into a stream that flows to the Ngkawau River.

Not only is this a much cheaper solution, it is far simpler to construct and dismantle, reduces disturbance to the land and will be easier to rehabilitate.

The trial period has now been completed, and the drain is under consideration for implementation along the full 500 metres.

Undertaking stabilising work on the silt fence during heavy rainfall at Stockton Mine.

energy efficiency

In FY2014, our energy consumption reduced to an estimated 10,339,585 GJ at our Australian sites. This reduction is predominantly due to us operating at fewer mining projects, but also because of a concerted focus on improving diesel-related efficiencies, including the below initiatives:



75,684 GJ reduction

Replacement of MT4400 haul trucks with the larger 930E Komatsu AC haul trucks at two sites.



6,279 GJ reduction

Installation of a new boiler at Bajool emulsion-manufacturing plant, increasing heating efficiency.



2,533 GJ reduction

Sourcing of ammonium nitrate solution (ANSOL) for emulsion manufacture.



415 GJ reduction

Operation of kidney loop filtration for CAT785 hydraulic systems to extend the oil life.



257 GJ reduction

Reduced hydraulic oil consumption in our Komatsu 830E dump trucks by implementing condition monitoring activities.



17%

reduction in energy consumption at our Australian sites



A haul truck enters the pit at Meandu Mine in Queensland.

ReGen

ReGen is a new service that offers customers a complete solution to mine reclamation and land rehabilitation, including design, civil capacity, bulk earthworks, revegetation, monitoring and maintenance.

Our wealth of experience in mining, rehabilitation and mine closure means that we can work hand in hand with our customers to understand their business drivers, and tailor each unique mine rehabilitation program to meet specific sustainability and post-mining land use criteria. We are also working with Aboriginal businesses to develop business partnerships that will ensure the involvement of Traditional Owners in rehabilitation projects.

The rehabilitation market is forecast to grow considerably over the next 12 months, with adjustment to the rehabilitation bond system in Western Australia (Mine Rehabilitation Fund) taking full effect and a number of large-scale closures forecast for late 2015. We are well positioned within the market to ensure that we are able to assist customers from the planning stage of the projects through to execution and beyond.

During FY2014, we worked with the Queensland Department of Natural Resources and Mines to assist with abandoned mines assessment fieldwork that will ultimately assist in determining how abandoned mines are risk assessed and how funding is allocated in the future.

Our focus for FY2015 will be to continue to build on the existing customer base of both Downer Mining and ReGen, and establish operations in each of our target mining hubs in Australia.



our focus for FY2015

Operational sustainability will continue to be a core focus for our business and, in FY2015, we plan to deliver the following key improvements:

Improving post-blast fume management and working towards zero fume performance

Refining and updating our Downer Environment and Sustainability Awareness training packages, and ensuring that all personnel are trained in their environmental and sustainability responsibilities

Developing and rolling out our Critical Environmental Risk Management Plans and GHG Reduction and Energy Efficiency Program

Seeking opportunities for our ReGen business to assist customers with their long-term rehabilitation obligations.

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FEEDBACK

How did we do? Please send your feedback on our sustainability performance and this report to info@downeredimining.com



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