



LOCAL KALGOORLIE-BOULDER STAKEHOLDERS

Existing Situation

According to the Australian Bureau of Statistics most recent census, the City of Kalgoorlie-Boulder comprises of around 28,818 people, of which 6.45% are Indigenous. (Source: Department of Industry and Resources 2003)

The demographic profile of Kalgoorlie-Boulder points to a relatively stable, family orientated community. The gender mix is fairly balanced at a ratio of 1:1.2 females to males. Sixty percent (60%) of those over 15 years have been married, with 75% still married. The family structure of the City reflects young families with 41% having children under the age of 15 years. There is a slight overrepresentation of young people in the region (around 25% are under the age of 15 years and the towns medium age is 30 compared to the State median of 34). This is likely to be a reflection of the positive education and employment opportunities in the past. Community development or employment opportunities for young people are likely to assist in maintaining community cohesion.

The residents of the City of Kalgoorlie-Boulder are predominately of Australian and English ancestry with the majority speaking English only. However the City of Kalgoorlie-Boulder has higher ethnic diversity than other regions within rural Western Australia.

The major community event in the region, the St Barbara's Festival, is held on an annual basis in honour of St Barbara, the Patron Saint of Mines. The Festival brings the whole community together and is supported by KCGM.

There are 11,400 dwellings in the City of Kalgoorlie-Boulder. Over half (68%) of dwellings are separate or stand alone houses. The City accommodates more people in semi-detached town houses or flats when compared to Western Australia as a whole (16% vs. 11%) and has a slightly higher use of other temporary dwellings such as caravans (4% vs. 2%).

There are 54 accommodation providers in the City of Kalgoorlie-Boulder including hotels, motels, B&Bs, Caravan parks, lodges etc. In 2002, there were 12 establishments with 15 or more rooms in the City. The total number of beds covered by these larger establishments is 1,872. Thirty eight percent (38%) of all domestic visitors stayed in commercial accommodation such as local hotels, resorts or motor inn type accommodation, 59% stayed in non commercial accommodation such as a friend's or relative's property. The average room occupancy rate was 50% during 2002 and varied between 35.5% in January and 69% in September. The most pressure on local accommodation was in the December quarter with occupancy rates around 72%.

In terms of land tenure (the allocated land and its uses within the region) the primary land use around the Super Pit is residential and commercial leases. The close proximity of residents to the mine is a historical anomaly created from a time when individuals walked to work and residences were built around the original variety of mines within the area.

Actual Impacts

KCGM has 652 permanent employees who mostly reside in the City of Kalgoorlie-Boulder. This equates to about 2.3% of the City's total population. In addition, around 210 personnel are employed by contractor companies. (Source: Newmont 2002). The site operates on a variety of rosters but mining activities continue 24 hours a day. In 2002, the KCGM workforce comprised of 14% women and 1.4% Indigenous. These proportions are slightly unbalanced when compared to the existing demographics but are not uncommon for the mining industry.

In 2002, KCGM introduced a new Community Relations Policy "Consider, Contribute and Communicate". The policy encourages employees to take on board what it means to be operating in, and being a part of, the local community. (Source: Newmont 2002). KCGM currently contributes around \$680,000 per annum to local community organisations and events. In 2002 KCGM set up a Junior Sports Fund, which invests significantly in local sports organisations. KCGM also has a volunteer database, which allows employees to register their interest and availability for volunteer work in the local community.

KCGM is a positive contributor to local accommodation providers as a result of the frequent visitors to the region to visit the site. There is a good level of accommodation capacity locally and it is unlikely that KCGM place un-due demands on providers. KCGM's 652 employees live locally and purchase or rent properties on the open market. This overcomes issues of employees being located in one district or area within town and reduces perceived "envy" issues often found in other regional mining communities.

The close proximity of the mine to residents in Boulder and Williamstown is likely to contribute to some issues with land tenure security and housing values over the long term. This issue is explored in more detail in the 1991 Mitchell McCotter Report and the 2004 Cooke Review.

Perceived Impacts

Locally, KCGM has an extraordinarily good reputation with the broader Kalgoorlie-Boulder community. They are seen as integrated into the community and a good overall contributor. There is not a lot of variation in perceptions between local subgroups, with the only exception being Williamstown residents.

Overall comments from local stakeholders included: "A community minded company"; "They are very welcome in the town and help to promote the fabric of this society"; "A real leader in community and social development"; "They genuinely want to make Kalgoorlie a better place"; and "they are a responsible high profile community citizen". This high social performance also reflects the integral role that the Super Pit has on the identity of the local community, their history and expectations.

Stakeholders note a significant improvement in recent times with comments such as, "in the last two years, there has been a step change in management of community issues."

Positive Social Drivers

There are a number of central themes driving the positive perception of KCGM. These include the openness and accessibility of the local management team, having a residential workforce and decision makers based in the town, the 'can do' culture of the organisation and genuine participation in the local community. The support of the tourism industry also contributes to this positivity.

Integration

The residential workforce goes a long way to enforcing KCGM's commitment to the local community. Comments from local stakeholders included: "They stipulate that employees must be residential which indicates a commitment to town"; "When they bring their families it has a major impact on our town, they make a big difference to town"; "Stable workforce and not as high a turnover as other companies"; "No fly in and fly out shows they are here to stay."

In addition, the residential management team reinforces the perception for the community that they have access to local decision makers, for example: *‘I like them being based here, management and decisions are made right here’* and decision making has *‘always been here and done locally.’*

Good Employer with Good Diversity Principles

From the community’s perspective KCGM are seen to do a good job in managing their own employees and having good diversity principles. Comments included *‘You would hear quickly if KCGM is a bad employer in a small community like this but you just don’t hear it’*; *‘They are treated very well and performance appraisals are in place so everyone is treated fairly’*; *‘KCGM are not one who has complaints and this is a good sign about the way a company treats its people’*; *‘They don’t do flat out equal opportunity but if you can prove you can do it then it doesn’t matter who you are they let you get in and do it’* and *‘They have a no tolerance for racism site’*. There were some internal comments that KCGM could *‘perhaps do a better job with their own people’* or *‘when they relinquished contracts KCGM’s name took a severe battering’* but these comments were very infrequent.

Can Do Culture

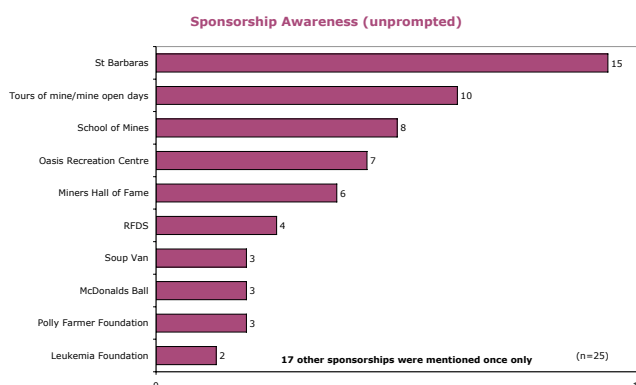
Local decision-making is backed by an action orientated organisational culture, which is viewed positively by the local community. One stakeholder stated, *‘They have a just do it culture – it is in the people that they employ and the culture, they try and manage it’*. This “can-do” culture does bring with it some challenges around perceptions of inability to follow through and this is discussed in a later section.

Community Participation

In addition to a ‘can-do’ culture, another notable difference from KCGM to other regional mining companies is the focus on volunteering and participation rather than just funding community programs. This focus reinforces the perception that KCGM are really part of the fabric of the local community. Comments included *‘I find that they are always there – if not financially they are alongside the community’*; *‘They encourage community participation, very friendly people and good to interact with’*; *‘They run St Barbara’s Day’*; *‘They have been driving loop line redirection’*; *‘They have a soup van for the homeless that they run around’*. Some comments related to the fact that even more effort could be made in encouraging employees to be a part of their community eg. *‘Encourage KCGM to review their practises and determine whether there is an opportunity to participate more in the community’*.

Awareness of KCGM’s contribution appears to be quite high amongst the company’s stakeholders. St Barbara’s Festival, the tours and School of Mines were the most frequently listed. Unprompted awareness by those stakeholders interviewed is illustrated in the figure below.

Figure 3.1 Unprompted Sponsorship Awareness



(Source: Q&A 2004)

Tourism Attraction

The City of Kalgoorlie-Boulder is committed to promoting their mining history and culture. KCGM's "Super Pit" is seen as the biggest tourist attraction in town and part of the historical profile of the region. KCGM's good will in allowing community access through tours, education and the lookout is well regarded by the community. Comments included: *'Good will is sensational like the tours for our delegates'; 'It makes Kalgoorlie an interesting place with a unique and rich history'; 'They have got the look out, part of the golden heritage trail, support for the hall of fame and museum. All of this support is very important'*.

Leadership Profile

The openness and accessibility of the Public Relations Manager, the General Manager and the Manager of Strategic Mine Development cannot be underestimated in driving positive perceptions. Comments from stakeholders included: *"Community involvement is obviously driven by Senior management"; "Danielle is a good worker and does her job"; "Danielle is very popular in the community, more the face of KCGM"; "John Shipp was very open"; "Most fantastic General Manager in John Shipp"; and "They have had people like John Shipp, Gary Lyle, Danielle and there is that other guy that my husband sees at the gym all the time. They have picked the right people with the right skills that the company needs but also skills that endear them to the community"*.

The recent absence of KCGM leadership within the community, due to the departure of John Shipp and Gary Lyle, will need careful management to maintain this positivity. Stakeholders close to the company are already noticing and commenting on an absence of leadership. E.g. *"Change doesn't hurt anybody but if the person coming up behind them hasn't been brought up to speed, it will be difficult"; "six months ago there was talk John Shipp wanted to go and now Gary said he is going, there is no succession planning"; "Not sure how John Shipp's departure was communicated, or if it was?" "We don't know who is replacing them and they are being a bit slow in letting the community know"; "It worries me that all the people who have been on top of things won't be there"; and "The pressure is on the people who replace the former leaders to live up to their reputations"*. The announcement of Cobb Johnston as John Shipp's replacement on 11 May 2004 will assist to alleviate some of this speculation and discussion.

Negative Social Drivers

In addition to a perceived absence of leadership, there are a few other areas raised by the community for KCGM's consideration. These issues were framed as questions rather than direct criticism of the company. They include managing the impacts of 12 hour shifts on family life and the ability to deal with some of the more challenging issues within the community such as Indigenous relations, "near neighbour" issues and alcohol and drug dependency.

Impacts on Family Life

The impact of 12 hours shifts on family and community life was raised by a number of stakeholders within the community, particularly those in the areas of health or community service provision. Their comments included: *"There has been a dramatic decrease in the involvement of parents in community organisations over the last 10-15 years caused by rosters"; "12-14 hour roster do affect families"; "12 hour shifts are causing problems with participation in the community and a long term effect on people's performance and stress"; "Family friendly policies are required – for men and women"; "They are contributing to the breakdown of community structure"; and "The rosters are killing family time and this is spurring interest in the community"*. The comments made here were raised in the context of an industry wide issue however stakeholders felt it to be a situation that KCGM could influence greatly.

Indigenous Relations

Some stakeholders discussed race relations as an area in which to improve KCGM's performance. Comments included: *"They need to help with cohesion and improve race relations. They could provide Indigenous people a worthwhile livelihood, provide opportunities for traineeships and other initiatives"; "Not perceived as a company that has a strong affiliation with Aboriginal people"; "Potentially a range of ways to work with Indigenous people that would require a huge organisational cultural shift"; "They have just started taking this seriously, it is more of a have to do"; "It is not easy but that have to do it"; "Policy makes them look proactive but not 100% sure of what happens in practice"; "KCGM are not a*

contributor to their problem but not high profile either in contributing to solving their problems"; and "They need more profile and awareness of what they are doing in this area".

Taking on the More Difficult Issues Like Alcohol and Drug Dependency

The ability of KCGM to tackle some of the more challenging issues within the community was also raised, primarily by those in the health and community service sectors. They felt KCGM should "be contributing to health issues of the community". Alcohol and drug dependency were seen as a significant local problems and questions were raised as to "what are KCGM doing to control this amongst their own workers?" or "I sense that many are using amphetamines to prevent detection. They are not doing enough about drug problems"

Near Neighbour Issues

The near neighbour issues were also widely discussed by stakeholders. The majority of those interviewed empathised with KCGM on the difficulty of the situation but felt that there must be something the company could do to put an end to the divisions within the communities. Comments included "There have been quite a few divisive issues eg Williamstown"; "It is now backed into a corner that needs mediation"; "The Cooke Report created an us and them feeling"; "Do you just bring aside those people? What do you do?" "There are a lot of tensions between different parts of the community"; "My impression is that there is still a lot of defensiveness"; "I don't think they have seriously tried to overcome the issues with the Keens"; "The issues are more about near neighbour issues"; "A concern I have is when will be enough for them? How much more land do they want?" "They need to compensate. Williamstown were warned not to go down quietly, that is their home so you can understand that"; "I respect KCGM for holding firm" and "I would like to see them finally work out their issues with Williamstown and just settle differences and get on with the job."

Although there was considerable recognition that the issue is a challenging one to manage, some stakeholders felt that KCGM "is a bit arrogant, perhaps not communicating well enough or simply not following through on sorting out the issue".

By comparison the issue has a much higher profile among State based agencies (see pg 32) who expressed stronger sympathy towards Williamstown residents.

Although only a few Williamstown residents were spoken to during this study, it is clear that feelings towards KCGM are generally exceptionally negative and this general negativity infiltrates all perceptions of KCGM's social performance. The results in Williamstown were so starkly different from the broader community that individual ratings were excluded from the overall performance ratings.

Comments from Williamstown residents included: "Williamstown is simply falling apart"; "Very bad neighbours"; "No idea what they sponsor"; "They don't consider their neighbours health"; "They are contributing to ill health"; "Can't sell a house now if you wanted to"; "They are buying homes by stealth and putting people in them"; "Very wary about KCGM"; "I am upset about the bypass road"; "They cut us off from town"; "There have been 14 accidents on the haulage road"; "Nothing grows – they've ruined the local environment"; "This is a dust bowl"; "Mighty dollar is used as a key driver rather than considering local lifestyles and the impact that they have on people's lives" and finally "The only highlight out here is for tourists". The only positive comment from a Williamstown resident related to KCGM's response to fill some of the old mine shafts that presented a safety issue to local children.

It is clear there are significant socio-economic and communication barriers driving the Williamstown issue. Access to residents is a challenge due to limited telephone connections and lines and the channelling of correspondence via the Williamstown Residence Association. The ageing nature of the community demographic also presents KCGM with some challenges in managing this issue into the future.

Opportunities for Improvement

- The new leadership announcements present an opportunity to initiate contact with a greater range of stakeholders and develop a wider team profile within the community.
- The new leadership also presents an opportunity to open up the dialogue on the 'near neighbour' issues. An internal assessment of future options and ongoing communication may also help to alleviate some of the tensions here.
- Setting clearer criteria for community partnerships and inviting submissions may increase the transparency and profile of KCGM's community contribution
- Contribution or establishment of inter-agency working groups on harder issues such as 12 hour shifts, drugs and alcohol or youth issues may assist to demonstrate KCGM's commitment to working with the community on some of the more challenging issues the town is facing.

ENVIRONMENTAL

Existing Situation

Attitudes in the Goldfields region towards environmental values tend to differ markedly from other regions. This is likely to be due to the region's attraction being predominately employment based in an industry that requires some trade-off between environmental values and its associated activities.

Important environmental values in the region included air quality, biodiversity, land and water.

The Goldfields has 12 existing and proposed nature reserves with a combined area of eight million hectares. The woodlands around Kalgoorlie and Coolgardie are regrowth and are generally less than 100 years old in most areas due to clear felling for fuel between 1900 and 1965. In the pioneer decades huge quantities of wood was needed for firing boilers that powered the mines, generated electricity, pumped water, condensed salt water into fresh water and for lining the many shafts and tunnels burrowed into the landscape. This was apart from building materials and domestic cooking and heating. By 1904, 500,000 tonnes of wood was being felled annually and well over 400km of wood-lines had been established by 1920 with most feeding into Kalgoorlie-Boulder's 'Golden Mile'.

The region is also one of few in Western Australia for the sandalwood tree. The industry was actually established long before the gold rush and today is a valuable export

In terms of fauna, there are a high number of bird species as well as the threatened bilby or rabbit-eared bandicoot, chuditch, mallee fowl, scarlet chested parrot, sandhill dunnart and mulgara. Other fauna in the area include ornate lizards, emus, echidnas, carpet pythons, honeyeaters, yellow-throated miners, rainbow bee-eaters and budgerigars. (Source: Kalgoorlie.com website 2004)

Potential threats to human health or safety can impact on community perceptions or general community cohesion. The feeling of safety for members of the community is an indicator of the local quality of life, community cohesion and trust. Key elements to a community's feeling of safety and security relate to the crime rate, perceived threats from industry or external threats and previous incidents or accidents.

Crime is a major issue within the region. Information from the Australian Bureau of Statistics crime mapping techniques together with official statistical data held by the Department of Justice and WA Police Service identified the City of Kalgoorlie-Boulder as being at extreme risk of juvenile crime and having the highest incidence of residential burglary in the country.

In addition to crime, other safety and security issues include the presence of a number of old mining shafts in the region, the high proportion of residents within the region working in mine related activities such as blasting, working on mobile equipment and construction (traditionally high risk professions) and the prevalence of alcohol and drug related dependencies within the community

Figure 3.2 Amenity of the Local Area



Actual Impacts

KCGM's most demanding environmental challenges are blasting dust, sulphur dioxide, emissions and tailings.

During 2002 KCGM recorded 149 level one incidents but no higher-level incidents. They also recorded no exceedences of their sulphur dioxide standards or limits. KCGM is involved in negotiating the implementation limits for the Environmental Protection (Goldfields Residential Areas)(Sulphur Dioxide) Policy. In 2002 average concentrations in the Gidji tailings storage facility decant pond decreased and although within regulatory limits, remained significantly higher than the Newmont target. A high cyanide readings incident at Gidji roaster occurred recently and this was reported publicly.

The Water and Rivers Commission has forecast that water use by mining activity could more than double in the next 20 years. The Water Corporation has committed to spend nearly \$18 million on capital works in the region, \$7.7 million of which will ensure that one of Western Australia's biggest reservoirs will be built in Kalgoorlie-Boulder. The project will include associated pipelines, water treatment facilities, and a pumping station and will increase water storage from 12 days supply to more than three weeks. The mine uses potable water in end-stage processing, with most of their substantial water requirements being met from hypersaline paleochannels. This water is up to six times saltier than seawater, which means that chemical additives are required to bring the water up to processing quality in order to retard corrosion. (Source: Department of Local Government and Regional Development, May 2003)

In 2002, KCGM rehabilitated 38ha of their targeted 72ha and significant "greening the Golden Mile" projects have been underway for some time. (Source: Newmont 2002)

In terms of impacts on local safety and security, KCGM's largest negative impacts relate to risks of underground shafts and drug and alcohol testing procedures while positive impacts include the availability of the mine and rescue team for community emergencies along with management's contribution to community safety forums such as Safer WA and local police initiatives to reduced crime.

KCGM's Super Pit is situated on century-old gold workings typical to the Kalgoorlie region. The existence of more than 3,500km of historic underground workings present a significant risk to current day operations where voids have the potential to open-up with the excavation of the current pit. Lost time injury and total industry frequency rates are trending downwards due to detailed risk assessment processes and additional controls. (Source: Newmont 2002)

KCGM has a strict alcohol and drug testing regime and employee health management programs. KCGM's experienced mine rescue and emergency response team also contribute to local community capacity to respond to crisis events.

Perceived Impacts

As mentioned earlier, the Kalgoorlie-Boulder community generally exhibits a degree of tolerance towards the mining industries impact on the local environment. They are a community that has their historical roots, livelihood and culture intrinsically linked to mining activity. However expectations of performance and management of these issues is increasing particularly around the east of the town closest to the operations.

Overall comments on environmental performance included: *"Fairly significant impact on the environment but the existence of what's underground is what this town in all about"; "It is more a reflection of their close proximity to town"; "Expectations are different, we are a mining town but it is transient so high proportions have moved on and these new people that come in are less accepting"; "Not doing anything disruptive over and above what mining of course involves"; "They do it as responsibly as they can but this is not an area which is naturally pristine or beautiful"; or "every night we feel it and hear it but we are a mining town and we are prepared to accept it".*

There is also a feeling that *“no other mining company has the focus that they are under”* due to the operations close proximity to town. This proximity is thought to increase the awareness of issues but also the feeling that the company *“has to get it right”*.

Positive Environment Drivers

The key drivers for positive ratings on environmental performance include the recent improvements, the safety culture and work being done in rehabilitation. Negative issues raised included vibrations and blasting, water usage and some issues around communication.

Improvements in environmental management

Many stakeholders were conscious of the proactive improvements in environmental management. This awareness was driving the positive feeling that KCGM were managing their environmental impacts. The improvements noted by the community included the reduction of SOx emissions from the relocation of the Gidji roster, the reduction in noise and dust associated with blasting and the greening activities. Comments included: *“They now don’t blast when the winds are blowing close to town”*; *“They respond quickly”*; *“Air quality is quite good – use to be able to smell sulphur but can’t now”*; *“You can visibly see the work done by KCGM”*; *“No-one talks about dust anymore”*; *“Now impact on town is minimal compared to when I grew up here”*; *“When I was at school I used to have to wipe the sulphur from the window”*; *“When they moved the Gidji roaster out it made a huge difference”* and *“They are planting trees to make the area look attractive”*.

Safety Culture

Most stakeholders felt that KCGM managed the safety of their employees and the community well eg. *“The community is extremely safe. They do a very good job at isolating the mine from the community. No-one falls into pits anymore like in the past”*; *“Safety community wise is very good, police officers attend and lecture on road safety at the mine sites”*; *“They have emergency training and response and are well prepared”*; *“You never hear of accidents out there because there are so many restrictions on them”*; *“If they weren’t safe they would get into a lot of trouble”*; or *“they block off the bypass roads sometimes during blasts, people say there is no chance in hell of being hit but it shows company is dedicated to safety of citizens”*.

However a few stakeholders felt that there *“is room for improvement on pushing their safety culture further”* or that *“things are not investigated to root cause and things can be swept under the carpet.”* Internally a few employees also felt that there was not enough discussion or opportunity to share and respond to safety concerns or ideas.

Rehabilitation and Revegetation

The Patterson Survey in 1999 found that 72% of Kalgoorlie-Boulder residents felt that the efforts to rehabilitate areas were quite good to very good. This is supported by stakeholder comments in this study eg *“Greening the golden mile looks pretty good now until they need it for the next expansion”* *“Pretty tidy for the size of the operation.”* *“Good at rehabilitation, a dedicated team in place doing some good work”* and *“What I do see is that they try and plant trees to help the environment and visually improve those areas.”*

Negative Environment Drivers

Stakeholders were asked to list the key environmental issues that KCGM will need to manage in the future. Vibrations, closure issues and water usage stood out as responses here. In addition stakeholders expressed some concerns over their own lack of knowledge of KCGM’s environmental issues and management.

Vibration

The Patterson survey found that just under half (43%) of local neighbours were concerned about vibrations compared to 37% of all residents. This correlates with the qualitative findings of the study where stakeholders who reside in Williamstown or Boulder tend to site vibrations and blasting as significant issues. Comments included: *“I suspect cracks in the house are something to do with blasting but can’t prove it of course”*; *“Buildings are impacted negatively from blasting for example the Cornwall hotel”*; *“One day our house will go crumble-crumble and we won’t have a roof over our heads anymore”*

“Vibration, clay soils, water, flooding, salt – they are big issues” and “As the Super Pit gets bigger the impacts of noise and blasting will increase?”

Those further away tended to feel that *“people automatically think it is blasting when it could just be the clay soils but how KCGM handles it, that is what is important”; or “there is a lot of folklore around this subject”.*

Water

There appears to be a discrepancy in different stakeholder views on water issue. Government agencies tend to talk about a significant usage of portable water but broader community perceptions indicate that their belief is that all water used is bore water, which is high saline. This issue is therefore flagged as a negative driver that has the potential to raise significant issues in the future. Comments included: *“They are a big user of water – 25% usage of portable water supply plus they have their own bore fields as well”; “It is good business for them if they produce more with less water and have a savings on their bill”; “Obviously use a lot of water”; “They tell us they use conservative water practises by using saline water”; “Wouldn’t know how much active research they have done on reducing water consumption”; “Use a lot of groundwater but its high saline so no real impact”; “It is sometimes said they waste water”; “People need to realise it is a mine and not a garden” and “it is a concern but not just KCGM, it worries me across the board.”*

Transparency

There were some issues raised around the transparency of communication on environmental issues and this is discussed further in the communication section. Comments included *“Can you go in there and ask to see their environmental papers? Can you ask them how they compare themselves to others?” “They are pretty defensive at times”; “There have been breaches that have been glossed over”; “Obviously a trust issue”; “You have to trust them” and “I really don’t know, they could have the best guidelines in the world but I wouldn’t know”.*

Closure Issues

The future of the Super Pit was raised by a number of stakeholders as one of the major environmental issues KCGM should consider. Comments and speculation included *“What are they doing to do with that hole when they are finished? I haven’t heard anything and I should have!” “What about the hole when they finish? Will it be the biggest lake ever?” “You sort of think it could be adapted into a huge outdoor lake but there has to be mining going on underneath” and “they need a plan for the pit when it is finished”.*

Opportunities for Improvement

- Increase the dialogue with the community around closure issues, community expectations and what happens after 2017.
- Increase transparency around environmental issues, some ideas are outlined in the communication section eg environmental themed workshops for broader community interest and participation, a monthly A4 summary newsletter on activities including environmental themes and questions.
- Wider circulation of the Now and Beyond report or similar annual performance reporting to the broader community.

ECONOMIC

Existing Situation

In looking at the economic profile of the Goldfields-Esperance region, the key indicators point to a growing and healthy economy. The economy of the Goldfields sub region is based on the extraction and processing of mineral resources, principally gold and nickel. Mining production continues to be a major contributor the GRP at 62.5% in 2002-03. In 2001-2002 the value of mining production was \$3.8 billion, of which gold accounted for \$2.3 billion. (Source: Department of Local Government and Regional Development 2003).

In 2002-2003 the relative contribution of mining and agriculture to the regional product fell by 0.2 and 1.5 percentage points respectively. However, the region was responsible for contributing 5.2% of the Gross State Product figures, making it the second highest GRP per capita in the State at \$77,585 per person. (Source: Hon. Tom Stephens Media Statement 2004)

Agricultural production in 1999/2000 was valued at \$349.6 million, however activities vary throughout the region due to the significantly higher rainfall in the south. Fishing and aquaculture, forestry, manufacturing and construction industries all make valuable contributions to the region's economy. (Source: Department of Local Government and Regional Development 2003).

The Goldfields unemployment rate has remained consistently lower than the State rate for at least a decade. Over the last 8 years it has ranged from a low of 1,444 in 1995/96 to a high of 1,870 in 1998/1999. In 2001/2002 unemployment totalled 1,680 people, over half of whom (52.5%) were residents of the City of Kalgoorlie-Boulder.

In terms of income, the average weekly family income (between \$1200 - \$1499), is substantially higher than the Western Australian average of \$700-\$799. (Source: ABS 2001 Census Data)

Whilst contributing substantially to local economies, the mining industry can also contribute to some of the uncertainty around economic sustainability. The uncertainty is driven by finite mine life, global commodity price influences, changing regulatory regimes and changes in the company's asset portfolios. Over-reliance on the mining industry can highlight an exposure or risk for some small communities who may not be equipped to deal with the boom bust type industry cycles. Kalgoorlie-Boulder however has experienced these cycles for over 100 years and displays a greater resilience than other regional communities.

The nature of traditional industries and their focus also point to the weighting places on certain aspects of the industry's social impacts and the level to which they are willing to tolerate any negative impacts or expect positive returns. Kalgoorlie-Boulder is traditionally a mining community so their tolerance for negative impacts can be said to be higher than other sectors however their expectation of positive return is possibly also greater than communities not exposed previously.

Total employment in the Goldfields-Esperance Region in the March 2003 quarter was 32,546 people. Employment rates tend to be increasing in the region. (Source: Goldfields Esperance Development Commission 2003). The majority of individuals within the City of Kalgoorlie-Boulder are employed as tradespeople or intermediate production and transport workers. Employment levels and education levels reflect the emphasis on these endeavours within the community. This points to a relatively high level of tolerance for the social impacts of mining associated activities.

In the City of Kalgoorlie-Boulder males and females are equally as likely to be employed, however 84% of the male population state that they are in the workforce compared to only 64.5% of the female population. The percentage of female enrolments in ANTA Courses (Australian National Training

Authority) in the Goldfields Esperance Region (51.2%) is greater than the WA average of (46.7%). (Source: WA Department of Training and Employment 2003).

This profile demonstrates a high local employment pool. It also demonstrates the orientation of the community towards traditional fields of endeavour and traditional family working models.

The physical infrastructure in a region such as water, energy, roads, transport systems, schools and medical facilities are essential for community wellbeing and also economic prosperity of a region. The appropriateness and quality of both public and private infrastructure has a direct link to the success of regional growth, particularly in Western Australia.

The major infrastructure and service provision for the Goldfields Esperance region are centred in Kalgoorlie-Boulder, supporting a number of health, educational and communication facilities. Appendix 4 includes details of infrastructure and service provision within the town.

Actual Impacts

In 2002 KCGM provided direct employment for 652 people and 210 contractors and spent more than \$312 million on the outsourcing of goods and services. (Source: Newmont 2002).

Based on the average weekly wage of KCGM employees of \$1,300, direct and indirect employment and expenditure contributions to the local economy are estimated below. These estimates are based on Clement and Ye's 1995 multipliers and assume that employees and contractors spend 80% of their income within the City.

Table 2.1 Estimated Employment and Expenditure Impacts

	Employment Direct and Induced Effects		Expenditure Direct and Induced Effects	
	Direct	Induced	Direct	Induced
KCGM employees	652	3,071	\$35.3 million	\$63.5 million
KCGM contractors	210	989	\$11.3 million	\$20.3 million
Total	862	4,060	\$46.5 million	\$83.7 million

KCGM also has significant impacts on local infrastructure. They have built the bypass road alleviating some of the heavy through traffic in the community, contributed to the construction of old age accommodation and support the School of Mines, Kalgoorlie Senior High School and the tourist industry financially.

The most recent available traffic count data for a location between Row Street and Boorara Road on Goldfields Highway indicates that approximately 3,558 vehicles travel along this section of road each day in both directions. Approximately 86.5% are light vehicles, 8.45% are heavy vehicles class 3 – 9 (including six axle articulated vehicles) and the remaining 5.03% are heavy vehicles class 10-12 (such as double road trains and triple road trains). KCGM's contribution to local road heavy vehicle traffic is an estimated X vehicles per week. This represents X % of total vehicle traffic. (Source: Main Roads WA August 2003)

KCGM uses Kalgoorlie Regional Hospital for emergency or crisis response and works with the hospital on local preparedness for crisis events. KCGM's employee and visitor base is a significant indirect contributor to the local airport and flight routes, education and health service economies of scale and funding.

KCGM is one of the leading tourist attractions in the area and supports the growth of this industry by offering tours of the pit and maintaining the look out. Significant contributions to the Mining Hall of Fame also assist to develop this industry.

From an employment perspective, KCGM has recently negotiated about 300 workplace agreements, transferring from an obsolete State award to a national agreement. Employee-initiated turnover was 26% in 2002, 6% higher than in 2001. The company spent approximately \$1.2 million (and provided 6,878 hours) in training and development of personnel. Nationally accredited Frontline Management is also provided on an ongoing basis. (Source: Newmont 2002)

KCGM also run a trainee truck drivers program, a development program for women, unemployed and non-skilled people. The program won an Equal Opportunity for Women in the Workplace award in 2002. KCGM has recently signed an agreement with the local CDEP to provide training to local Indigenous people and increase employment rates in this area.

Perceived Impacts

The positive economic impact of KCGM on the town and local economy is well understood and articulated. This is evidenced through comments such as *“A major player, without them town would be a different ball game”*; *“People wouldn’t stay here long if there was no more Super Pit, we would lose the flow on or ripple effect of that loss in the hotels, restaurants, etc”*; *“They have a huge economic impact, the payroll alone is \$1.1m per fortnight”*; *“There is lots of money here and people spend it here”* and *“without KCGM town would be half of what it is today”*; *“They bring families and contribute to the economy”*; *“KCGM are a significant player in all 3 areas, a major player locally through employment, contributor to the local economy and then the state and national economy”*.

The latter point also reflects that KCGM is seen to be an industry leader and strong contributor to the State and national economies. This comes at a cost with some stakeholders feeling they are missing out on the wealth generated by KCGM as it disappears into State coffers eg. *“If Kalgoorlie was a city on its own [and didn’t have to contribute to State revenue], Perth would miss out”*; *“They are a big contributor to the State economy but I don’t know whether the money stops here”*.

KCGM also appears to be getting the balance right with community contributions. Many stakeholders stated that they appreciate the participation from KCGM as much as the financial contribution: *“We don’t want them to get too involved – they are already quite powerful, they play a supporting role but shouldn’t be taking over everything.”*

Positive Drivers

As mentioned earlier, the high positivity around KCGM’s local performance is linked to their local employment and support of the tourism industry. From a local procurement and infrastructure perspective they are also seen to be contributing positively.

Local employment and contracts

There seems to be a strong belief that KCGM is a local player and supports local business. This is evidenced by comments such as *“Managers live in the community so want to do things for local people and business and this gives positive impact”*; *“All positives can’t think of any negatives”*; *“They prefer to employ local”*; *“Just the fact that they employ so many people it is a huge benefit, some mining families here are second or third generation”*; *“Business wouldn’t have a lifestyle without KCGM”*; and *“KCGM are a major consumer of goods brought locally and are committed to buying local services and products”*.

There was some talk that contract agreements and terms could be improved in relation to their contactors but this was only sited by a few stakeholders, e.g. *“KCGM needs to have in place policy to encourage more reasonable trading terms when you are tendering for work with them, part of a trend but as a good corporate citizen KCGM should try and buck this trend”*; or that preference was given to some suppliers, e.g. *“They have decided that for the sake of saving administration, they have got select suppliers and that is not fair, all because someone is too bloody lazy to go out to tender”*.

Infrastructure

The positive impact on local roads and community infrastructure such as the loop line, Oasis recreational centre and Mining Hall of Fame were seen to be the largest contribution that Kalgoorlie makes to the community and this infrastructure emphasis was appreciated by local stakeholders with comments like: *“Everything is done beautifully and to a great standard eg moving of the bypass road”*; *“They are doing a hell of a lot for the City”* and *“They have contributed to sporting facilities and the like, they quietly just do it and don’t crow aren’t we the good fellas”*.

Industry diversity

As mentioned under community participation, KCGM’s role in supporting local mine heritage and tourism is seen as an important contribution to maximising local industry diversity, e.g. *“If they do it right and preserve the mining heritage it will have a long term positive impact on Kalgoorlie tourism.”* There were no comments that KCGM was damaging local tourism with the exception of some comments around the Boulder Block Hotel and loop line follow through (see below) and the effect of vibrations on old buildings within the town.

Negative Drivers

Perceived Lack of Follow Through

The only negative economic drivers related to a perceived lack of follow through by KCGM on some commitments. The Boulder Block Hotel and the loop line were sited as examples of promised projects that may not ever eventuate. Comments included *“The Boulder Block Hotel was a local icon, demolished 8 years ago in the middle of their pit. They had intent on rebuilding but it never happened. The same happened to the tourist railway”*; *“Mine has got what they want but the loop line committee won’t do it. They have to keep pushing and without Gary it won’t be given a priority”*; *“Unless we push it, it won’t happen”*; *“Sometimes there is a lack of follow through or lack of attention to detail”* or *“If it gets stuck at middle management nothing happens”*.

This perceived lack of follow through on commitments could have serious repercussions at a later date. A loss of faith by the community that the company does not follow through on commitments may affect consultation outcomes for future expansions or developments and should be monitored closely.

Reliance and Economic Sustainability

A key aspect of economic social performance is the level to which the community is exposed to “over-reliance” on one industry. This is certainly a risk for Kalgoorlie-Boulder, although as mentioned in the community profile the community has demonstrated some resilience to mining cycles over the last 100 years.

The question of economic sustainability for the region was raised with stakeholders and the reaction to was mixed.

Some stakeholders felt that without KCGM there would be no Kalgoorlie, *“It has a limited lifecycle – it puts the fear of God into everyone about what will happen when it is closed”* *“They need to stay open for as long as possible”*. These stakeholders had difficulty in suggesting any alternatives for the local economy other than more prospecting and exploring.

Other stakeholders felt KCGM wasn’t all that Kalgoorlie-Boulder had to offer, and expressed this with comments like *“There is a belief that town exists on KCGM but it’s not the be all or end all. It is important but we have grown as a city and regional centre”* and *“Tourism will be sustainable but nowhere near the impact of mining.”* These stakeholders tended to offer solutions around increased tourism, arid farming, native forestry or a highway from Kalgoorlie to Alice Springs for increasing tourism revenue. One stakeholder felt that greater synergies were needed with surrounding operations and sited the Gidji roaster as an opportunity to produce Sulphur for local nickel operations.

Opportunities for Improvement

- ❑ Use regular newsletter or other direct communication to profile KCGM’s contribution to local employment and business eg case studies on generations of families working at the Super Pit or the diversity of local businesses that service KCGM.

COMMUNICATION

Existing Situation

Access to communication and technology are increasingly driving remote communities' ability to react to change, to build community cohesion and remain in touch with global technology and trends. From an industry perspective communication use and access to communication networks points to appropriate tools for community consultation and the ability to inform and build trust.

Media

Kalgoorlie-Boulder has a commercial AM band radio station (Radio West), a commercial FM station (HOT) and access to a satellite service (REDFM) covering the more remote areas outside the City. ABC radio has a strong presence in the region with a studio in Kalgoorlie-Boulder. Local radio broadcasts from Kalgoorlie-Boulder are now heard in the northern Goldfields and Ravensthorpe. In addition the City receives ABC FM, Radio National and Triple J. A local Indigenous community radio station, called Tjuma Pulka radio, is also in its development stages. Wangkanyi Ngurra Tjurta Aboriginal Corporation manages the station.

ABC TV is broadcast throughout the region and programs from commercial TV broadcasters GWN and WIN can be received in the major centres. SBS TV is also broadcast in the City.

The Kalgoorlie Miner (six days a week) is the City's principal local newspaper, with the Golden Mail published weekly in Kalgoorlie-Boulder.

Networks

Telstra provides terrestrial services throughout the Region, with Optus available in the City. Mobile telephony is also available in the City, with the State Government recently allocating \$1.5 million in 2003/2004 towards the completion of the Wireless West project to improve mobile phone coverage. GSM and CDMA coverage is available in Kalgoorlie-Boulder and many other centres in the region. There are plans to expand the network and satellite mobile coverage is also available. (Source: Goldfields-Esperance Development Commission 2003).

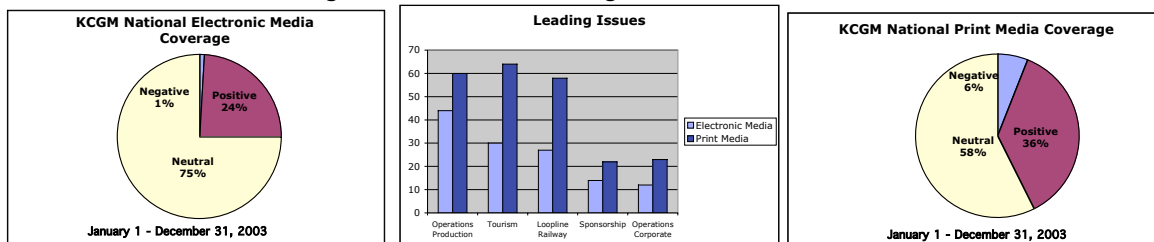
Computer usage

The internet is available in all centres, with local call rate access. A regional internet portal is being developed for the Goldfields-Esperance region with e-commerce capabilities. There is slightly lower community computer usage at home in the City of Kalgoorlie-Boulder when compared to the State (37% vs. 43%) but it is higher than other regional areas.

Actual Impacts

KCGM is a strong contributor to local media and use of this indirect communication tool, within the region has a broad reach. Between 1 January and 31 December 2003, KCGM generated 1,179 mentions in the media.

Figure 3.2 Media Monitoring Data Jan-Dec 03



(Source: Reham Media Monitor 2004)

Direct communication by KCGM relies on the website, an annual report, the public inquiry line and the use of the Community Reference Group.

The Community Reference Group (CRG) includes nine members of the local community, three KCGM representatives and a local community chairperson. The group was formed by KCGM to enable the company to hear and respond to the needs, expectations and desires of the community. The CRG meets monthly with the aim of finding joint solutions to problems or issues early in the planning process.

Perceived Impacts

Communication was cited as an area for improvement by a number of stakeholders. Suggestions included improved direct communication with the broader community i.e. less reliance on the media, greater transparency and clearer values.

Direct and Indirect Communication

KCGM tends to communicate with the local community through media and community sponsorships. The dominance of indirect media as a communication tool is reflected in the Patterson results with 73% of residents citing the newspaper as their principle information source on KCGM. In that study a further 21% cited word of mouth, followed by 21% radio and 18% television and 4% other sources. This highlights some risk for KCGM in terms of direct community engagement – i.e. the ability to open dialogue with the broader community outside the CRG and media.

Although local media stories tend to be positive towards KCGM (78% were found to be positive between January 1 and December 31 in a recent media monitoring audit), the topics covered by local media centred around production statistics or staff movements, Goldfields tourism, the Kalgoorlie loop line railway and KCGM sponsorship and events such as the St Barbara's Festival. This bias is reflected in the perception results outlined in this document, with many stakeholders struggling to articulate any environmental issues or social performance improvements. This is likely to have shifted slightly following the release of the Cooke Review and increasing debate around "*near-neighbours issues*" and "*cyanide management*."

The reliance on indirect communication tools also reinforces community concerns around the transparency of communication and a sense that the company "*gives the community what they want to hear rather than open doors*". Other comments along these lines included "*they do provide a lot of information, but is it in the right areas? I don't know anything about their environmental performance*"; "*Very difficult to be totally honest because of media manipulation*" and "*Always depends on the question that you ask them*".

That said the Public Affairs Manager is seen to be doing excellent work in building communications. Comments included "*Danielle does a terrific job*"; "*Danielle is a very good face in the community*" and "*heaps better since Danielle came on board*".

CRG

The unprompted awareness of the Community Reference Group and the public inquiry line was quite low outside those active members. However those that were aware of these communication channels expressed them as important e.g. "*CRG is an objective, independent route to getting points to other organisations*" and "*It is working well*".

Values

The profile of community values "*consider, contribute and communicate*" was also quite low but suggested words locally demonstrate understanding of intent. Words used by stakeholders included "*reliable*", "*solid*", "*considerate*", "*committed and concerned*" and "*respect*".

Internal Communication

Internally, the Wednesday staff BBQ was cited as a strong communication tool that was well received by employees and represents an opportunity that can be tapped into in the future. Comments by staff

included: *“They communicate very well with their employees”; “They do acknowledge that [ambassadors] role - whether you have your gear on or not everyone looks at you like ‘I know where you work’”.*

Suggested Improvements

Stakeholders suggested a few communication improvements including: *“We need conversations about what is next”; “I’d like to see a regular short newsletter go out”; “Maybe they could provide some direct information about what they are doing”; “The information needs to be palatable for the average person”; or “a short direct monthly newsletter would be good”.*

A few cautioned that *“too much communication can generate suspicion, it looks like propaganda”; “they don’t beat their own drum which is good” and “For a large part of the time they have a big monopoly over things”.*

Opportunities for Improvement

- Participating stakeholders expressed a strong desire to see the results of this study. There is an expectation of follow through and a short A4 summary circulated to all participants, and potentially residents, is recommended based on the results and what KCGM plans to do as a result of the feedback.
- A monthly A4 summary newsletter distributed as an insert via the Kalgoorlie Miner or a letterbox drop is recommended to increase transparency around issues not picked up by the media and increase direct communication. It could also include some updates on the progress of Indigenous initiatives.
- The CRG could also have a brief section in this newsletter for a few questions raised and answers provided in order to increase the profile of this group and the work that they do.
- As mentioned in the environmental section consideration could be given to occasional community themed workshops on topics of interest such as water management, Indigenous initiatives, local flora and fauna or closure issues.
- A communication strategy, inviting input into the closure debate, maybe one way of being proactive and leading the debate on this issue.