

## 1.0 PLACE

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Place is crucial to all Australians. It is fundamental to the human sense of self, sense of community, sense of morality and sense of destiny. Connections to a place is vital to our sense of identity argues social historian Hugh MacKay. (source: The Age, Oct 15 2005)

A place is defined by both the historical and environmental forces which over time define a particular location and community. The things that set it apart, and in many cases, the things that are, form the basis to the way a community identifies itself.

An understanding and appreciation of the history of place and people is critical when considering an impact of an introduced culture or industry, in this case extractive mining. Also the histories of communities may indicate their likely level of tolerance or threshold for mining activity.

The previous SIA in 2004 detailed the history and sense of place for the region in detail. Therefore the review summarises these themes in the context of the focus of this study and current activities.

### 1.1 History and Heritage

#### **Context:**

Steeped in a long history, spanning the traditional lifestyle of the Maduwongga people to the more recent European settlement, the Kalgoorlie-Boulder community has proven itself to be robust and determined. The Goldfields-Esperance Region, in which Kalgoorlie-Boulder is the major urban centre, is bound to the north by the Pilbara Region, the Wheatbelt to the west, and the Great Southern to the south and the State's border to the east.

At a time when Western Australia was lagging behind the east coast, a discovery of gold in 1893 was to be the beginning of tremendous growth in Kalgoorlie's population. This fruitful stretch of gold is still helping to drive the community's economy today.

With people came a growth in many markets that fed off the mining boom. For every miner there was a need for accommodation, food and varied services. These were a tough band of men and women that dealt with the harsh conditions as best they could, forever determined to make the next big discovery. It was this steely determination to make good on this red dirt that fuelled the rapid growth in industry and population that put Kalgoorlie, and indeed Western Australia, on the map.

In part it is Kalgoorlie-Boulder's isolation, especially from the State's capital Perth that has borne a community that has made do with their surrounds and harnessed their assets to the best of their ability. From its earliest beginnings with the discovery of the gold near the turn of 20<sup>th</sup> Century the culture of Kalgoorlie has been a unique one, which reflects its natural environment, industry and wide variety of people that call it home.



Reminiscent of the idealised extremes of America's wild west, Kalgoorlie has a reputation for hard living. Hard work, heavy gambling and drinking are but some of the defining elements of a culture that was well entrenched many years ago. The strong drinking culture of Kalgoorlie-Boulder was evident in 1903, as Kalgoorlie boasted 93 pubs in a town that had exploded to almost 30,000 people.<sup>1</sup> Though in more recent times to define Kalgoorlie-Boulder in these terms would provide an incomplete picture of a community that has evolved greatly.

Kalgoorlie-Boulder's reputation as a very masculine and extreme place has definitely altered over the years, as more ethnic diversity, changing values and economic shifts have brought new opportunities. In more recent years the shift in cultural values in Kalgoorlie-Boulder (and throughout the industrialised world) have seen communities come to value their own culture and history. It is this shift in values that has seen the growth in the industries of cultural, mining and eco-tourism in Kalgoorlie-Boulder.

In part the shifting recognition and economic value of tourism that harnesses local mining history, Indigenous culture and environmental beauty reflects the evolution of the local economy. In light of the finite nature of mineral extraction and fluctuating commodity prices these changing directions for Kalgoorlie-Boulder's economy and culture point towards a more sustainable future.

#### **Actual Impact Considerations:**

It is clear from the description above that gold mining and the Super Pit are an integral part of local history, folklore and the community's roots. In many ways, KCGM is the custodian of this mining history. This is well recognised by the company and its contribution to the Super Pit Shop (winner of a 2005 Tourism Award), to local committee's such as Goldfields Tourism, the Boulder St Committee and the Loopline Historical Society, financially to the Mining Hall of Fame and WA Museum and its mine tours and lookout demonstrate this recognition.

#### **Perceived Importance and Performance:**

The sense of place is reflected in the qualitative feedback from the workshops conducted as part of this SIA Review. Participants described the strong community cohesion and diversity of the community and its ability to face challenges head on and work together despite their differences. The convenience of living and being able to get to most places in 5 minutes reflects earlier town planning models where communities were set up around mines along the golden mile so that people could walk to work and service centres within these communities reflect the hay day of the gold rush with local banks, pubs and government agencies all grouped together along the main streets of Kalgoorlie and Boulder.

The reasons people chose to live in Kalgoorlie also closely reflects this sense of place and history i.e employment (80.7%), family (57.2%), opportunities (47.9%), social connections (43.1%), lifestyle (35.9%), the feel of the place (31.2%) and history and heritage (13.6%) were the most commonly cited reasons by local residents. For Indigenous respondents family connections and lifestyle were much more likely to be reasons for living in the area (see section 1.2) and their sense of place differs markedly from non-Indigenous respondents.

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<sup>1</sup> Website [www.frogandtoad.com.au/wa/out/kalgoorlie/](http://www.frogandtoad.com.au/wa/out/kalgoorlie/) - accessed 225/2/05





The negatives associated with the community, or what respondents would like to change about the community included the tough environment (dust, temperatures, lack of water), drugs use (alcohol and illegal drugs), hours of work, wealth that leaves the town, social issues and a disregard for the disadvantaged were all cited by workshop participants. These issues have in many ways been shaped by the history of the community and point to the conclusions raised by Q & A's social needs assessment conducted in 2005.

**Opportunities for Improvement:**

1. Continuing to find opportunities to support and promote initiatives that aim to enhance local history and heritage.
2. Increase funding support to initiatives that aim to support families, the disadvantaged and those dealing with substance abuse issues.



## 1.2 Indigenous Connections

### Context:

Prior to the mass arrival of gold-diggers the sustainable society of the Maduwongga peoples called Kalgoorlie-Boulder home; hunting and gathering for thousands of years. Embodying a sustainable lifestyle unparalleled today, there have been archaeological discoveries that suggest Aboriginal people were living in the Goldfields-Esperance region for over 40,000 years.

The rapid expansion of agriculture and mining that saw increased contact between Indigenous and European cultures had a significant impact on the Maduwongga peoples and saw a change in not only the way of life but also the profile of local Indigenous people. Kalgoorlie's wide variety of Indigenous groups from the Central East, Western Desert, and the Southern Cross area is a reflection of a natural gravitation to this regional centre, cultural importance and the impact of the development of Aboriginal missions in the area.

Connection to land and country in this area, therefore varies for Indigenous people, who recognise that many of their local cultural sites and customs were lost during the gold rush period.

There are a number of native title claims over Kalgoorlie Boulder that currently do not affect KCGM directly but serve to highlight the complicated interconnections and conflicts between local Indigenous groups that have arisen due to historical movements of various tribal groups through the region to focus on the urban town centre. These claims include Widji People (WC98/27), Maduwongga People (WC99/9), Central West Goldfields People (WC099/29), Kalamaia Kabu(d)n People (WC97/100) and the Gubrun (WC 95/27).

### Actual Impact Considerations:

KCGM has defined specific objectives that seek to enhance their relationship with Kalgoorlie-Boulder's Indigenous community. It is envisioned that these will be culturally sensitive, economically advantageous for Indigenous communities, and sustainable. KCGM's Indigenous Peoples Policy indicates the direction of the company in the ensuing years. The policy recommends that KCGM:

- Recognise and observe all local, State and federal laws relevant to Indigenous and cultural heritage and title matters.
- Strengthen existing, and establish new, long-term relationships with local Aboriginal communities so that we can better understand Indigenous issues, priorities and goals.
- Ensure meaningful involvement of Indigenous communities, organisations and stakeholders in matters that impact upon them.
- Create and implement a local Kalgoorlie-Boulder Indigenous cross-cultural awareness program to assist KCGM employees in understanding the local Indigenous community.
- Actively work to increase the number of Indigenous people employed at KCGM and by their contractors.
- Wherever reasonable, provide local Indigenous businesses with the opportunity to participate directly or indirectly in supply opportunities.
- Monitor and assess Indigenous relations performance, and strive for continuous improvement.

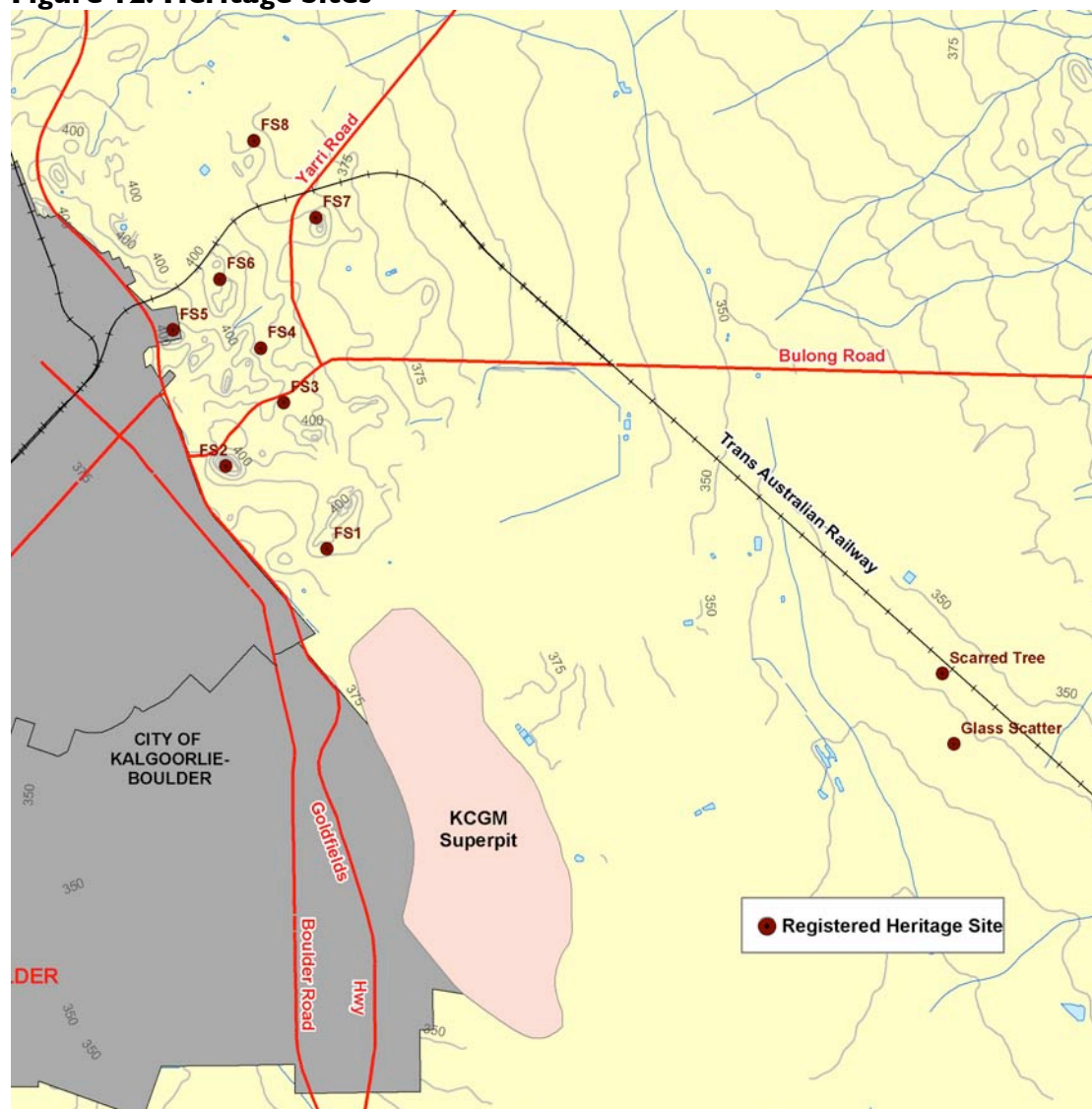
These recommendations will be, where appropriate, used to guide the identification of community development strategies for the Indigenous community, with the aim of having one significant and visible partnership in place by the end of the year.

In 2005, KCGM also signed the “Dignity, Respect and Fulfilment” Agreement with Ninga Mia along with many private organisations, individuals, businesses and government agencies with an aim for improving local Indigenous relations and reconciliation. KCGM also supports Reconciliation Day.

In terms of Native Title, proposed expansion plans have seen the need to update an agreement with the Widji Claimant Group. This is currently being negotiated.

There are 10 culturally significant sites located around KCGM’s lease (as below) and KCGM have plans to commence a heritage management program as part of growth plan commitments.

**Figure 12: Heritage Sites**





### **Perceived Importance and Performance:**

Almost half of the Indigenous respondents surveyed as part of this study had lived in Kalgoorlie for over 20 years (42%). They cited their reasons for living in the area family (34%), lifestyle (24%), employment (19%) and the fact that they had always lived around here (15%). Long-term relationships and links to families, land and country are therefore greater priorities for this stakeholder group than others.

Environmental issues such as *air* and *looking after country* appear to also be more important to Indigenous stakeholders than other stakeholders.

There is an expressed interest to hear more about KCGM's environmental performance particularly rehabilitation, air emissions, water and generally looking after country. A large number of participants stated they *didn't know anything about KCGM's performance* in these areas.

Members of the Coonan community felt that environmental impacts had a greater bearing on their community given the proximity to the waste dumps and cited dust as an ongoing issue.

Not surprisingly the broader community rated KCGM's relationship with Indigenous people as relatively low though it was highlighted as an area for improved performance.

### **Opportunities for Improvement:**

3. Initiate an annual visit to each community to discuss any community concerns, describe the company's progress in air emission management, rehabilitation, water management and ways the company actively looks after country, seeking any feedback.
4. Involve local Indigenous groups in discussions around heritage management and closure planning.



### 1.3 Environmental Values

#### Context:

The landscape surrounding KCGM's operations is an arid and dry environment but as described early the local environment is rich in history, heritage and it's own unique culture. The footprint of over 100 years of mining activity is visible throughout the city from the headframes, to the giant "Super Pit hole" through to it's buildings and memorials.

The 2004 SIA demonstrated that attitudes in the Goldfields have tended to differ markedly from other regions. This is likely to be due to the region's attractions being predominately employment based in an industry that requires some trade off between environmental values and its associated activities. That said, key environmental values in the region include air quality, biodiversity, land and water.

The Goldfields have 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. The Sandalwood tree is a significant industry in the region, providing export income. The importance of sandalwood tree locally is evidenced in the allocation of the Lakeside Conservation Reserve in the late 1950s which is in close proximity to the south of KCGM's TSF.

Water continues to be a scarce resource and salient topic in the region, with significant capital works being undertaken in recent times to meet increasing demand.

#### Actual Impact Considerations:

In terms of environmental footprint, the Super Pit has a significant impact on local topography. However it also serves as an important component of local industrial history and a tourist attraction.

In 2006, there were 4 reportable environmental incidents relating primarily to air emissions and saline water/soil spills. There were also 33 minor hydrocarbon spills that were cleaned up according to environmental procedures. (Source: Annual Environment Report 2006). In addition, there was one reportable environmental incident in May this year relating to a saline water spill at Mt Percy. (Source: Environment Dept Email 14/9/07)

Analysis of recorded complaints received by KCGM shows the vast majority to be related to activities associated with blasting activity, noise and dust. However, actual incidents point to the most significant local impacts being saline water seepage and sulphur/metal emissions.

Cyanide management was not tested in this review through the quantitative performance and importance indicators of this review as it has not featured on the community radar as part of the qualitative components of the SIA in 2004 nor in workshops conducted as part of this review. However it continues to be an area actively managed by the organisation.





### **Perceived Importance and Performance:**

This SIA review has seen air, water and rehabilitation of used mining areas increase considerably in importance amongst all stakeholders. This is likely to reflect recent issues on site with emissions, a national increase in the focus on water and the lifecycle stage of the mine as individuals start to think about rehabilitation and closure issues. These issues are discussed separately below.

Transparency on these issues, as identified in the 2004 SIA appears to have improved given the high performance mean ratings for communication and engagement on issues of importance (see Sc 3.1)

### **Opportunities for Improvement:**

5. Continue extensive work on communication of environmental issues to maintain improvements in perceptions around transparency.



### 1.3.1 Air Emissions

#### Context:

Air emissions have been a historic issue within the area. In particular, management of Sulphur Dioxide (SO<sub>2</sub>) emissions in the region were an ongoing debate in the town since the mid 80s. KCGM is seen to have assisted the community considerably by moving the Gidji Roaster out of town but recent issues such as higher than previously recorded mercury emissions (although below world health organisation guidelines) and negative perceptions around emissions in local Indigenous communities have brought the issue into prominence again.

#### Actual Impact Considerations:

SO<sub>2</sub> and Mercury are both produced as part of the gold extraction process. Mercury is not used in processing but some ore naturally contains small amounts of the metal that can be emitted during processing. (source: Newmont Now and Beyond 2005).

This is a challenging issue to manage but KCGM have actively communicated the challenges associated to the community in a proactive manner. They have created a network of air and dust monitors throughout the community and air quality control strategies are in place to manage emissions.

The operations decision to suspend operation of the kiln when the wind blows towards the city has also meant significant improvement in emissions (reducing them by 50%). In addition a scrubbing system has been installed in the kiln to reduce emissions further. Mercury monitoring and personal protective equipment are also in place to protect employees working in these areas. (source: KCGM Media Statement 2006)

#### Perceived Importance and Performance:

Management of air emissions scored an importance mean rating of over 4.8 out of 5 for all stakeholder groups and performance sat between 2.6 out of 5 for Indigenous stakeholders through to 3.4 out of 5 by employees and contractors. It was ranked as the number 1 issue to address by local businesses and Indigenous stakeholders, and number 3 on the list for government stakeholders.

#### Opportunities for Improvement:

6. Continue to find ways to improve air emission management and communicate these improvements to all stakeholders particularly local businesses and Indigenous groups.



### **I.3.2 Rehabilitation**

#### **Context:**

The arid local environment, the legacy of underground mining (including the number of abandoned or old mine shafts) and the size of waste dumps and pit walls have traditionally provided challenges for rehabilitation by KCGM. These are likely to be factors that will also need more detailed consideration as the operations move closer to end of mine life.

#### **Actual Impact Considerations:**

KCGM have been actively rehabilitating used mining areas and, where highlighted, supporting the community to make old shafts and mining areas safe. Recent projects in this vein include:

- “Greening the Golden Mile” - where KCGM has restored over 730 hectares in recent times, planting over 210,000 trees since the late 1990s. (source: Newmont Now and Beyond2005).
- Mt Gleddon Project - Nanny Goat Hill as it has traditionally been known, a registered Aboriginal Heritage Site, had fallen into considerable disrepair – often being used for a dumping ground for old materials and waste. Largely funded by KCGM, this site has now been rehabilitated and old mine shafts made safe, in a joint effort between the mine, Department of Indigenous Affairs, City of Kalgoorlie Boulder, Conservation Volunteers Australia and the Kalgoorlie-Boulder Urban Landcare Group. This project brought together local Indigenous people, young people and other volunteers and was recently nominated for a Golden Gecko Award for rehabilitation.

#### **Perceived Importance and Performance:**

This issue was ranked 2<sup>nd</sup> in terms of a need to address by Government Agency respondents and Williamstown residents. It was also high on the internal list, ranked 6<sup>th</sup> on the list to address on the improvement matrix for employees and contractors.

#### **Opportunities for Improvement:**

7. Continue efforts to rehabilitate used mining areas, greening within the community and efforts to make old shafts safe.
8. Address proposed rehabilitation strategies directly in future closure planning and communications.



### 1.3.3 Water

#### Context:

A dry arid environment where water is limited and competition for the resource is high tends to result in community stakeholders showing higher degrees of attachment to water over other environmental issues. National media coverage on water shortages across the country have also seen the salience of this issue increase dramatically in recent times. For Kalgoorlie-Boulder, sourcing clean fresh water is a historic issue and the C Y O'Connor Pipeline to Perth serves as a visual reminder of this ongoing challenge.

#### Actual Impact Considerations:

The mine uses portable water in end stage processing, with most of its substantial water requirements being met from hypersaline paleochannels.

In 2006, KCGM used 479.95 million gallons of surface water, 1,034.83 million gallons of groundwater and 194.72 million gallons from mine dewatering. Water consumed was 72% saline and 28% fresh. (source: KCGM AER 2006). The latter represents an improvement in the proportion of fresh water to saline water consumed since 2005 where the ratio was 68% fresh to 32% saline. (source: Newmont Now and Beyond 2005)

Annual audit of seepage and ground water management is in place and historical ground water review and vegetation monitoring review have also been put in place to ensure the depth of salty ground water is maintained at a sufficient level to minimise impact to native vegetation (source: Environment, 2007)

#### Perceived Importance and Performance:

For residents, local businesses and employees and contractors, this is a high importance area that they perceive is currently not being managed well. It ranks No 1, No 2 and No 4 in areas to address by these groups, reflecting the high salience of the issue in this community.

That said, well over 1/3 of businesses (38%) and local residents (32%) stated they did not know how to rate KCGM's performance in this area.

#### Opportunities for Improvement:

9. Raise awareness of water usage as a significant issue on site and implement appropriate water conservation strategies that can be shared with the local community.



### **1.3.4 Noise, Vibration, Dust and Blasting**

**Context:**

Residential housing, as a legacy of the past, sits within very close proximity to the Super Pit operations. As a result amenity issues such as noise, dust and vibration particularly from blasting activity are a naturally a high profile issue. Other naturally occurring seismic activity and risks of subsidence from underground galleries also increase concerns in this area.

**Actual Impact Considerations:**

KCGM recognises the importance of managing this issue appropriately and have worked considerably in recent times to improve amenity and nuisance caused by their blasting activity. Network of monitors have been set up throughout the community, wind and weather conditions are accessed prior to blasting and blasting times are advertised daily. Blasting times are also scheduled to correlate with times that provide minimal impact on community life.

Investigation is conducted for all complaints made on the public information line (PIL) for blasting or vibration damage. This investigation includes a site assessment, an evaluation of recent blasting activity, review by structural engineer on site (if required) and if damage is proven to result from blasting vibration KCGM initiate remediation activities.

**Perceived Importance and Performance:**

As mentioned previously, this is an issue of high importance for all stakeholders, but particularly local residents (including Williamstown). Performance though is seen to be moderate (around 3.5 out of 5 for all stakeholders, except Indigenous who rate it 2.7 out of 5) reflecting recognition of the efforts KCGM have made to improve performance in this area.

**Opportunities for Improvement:**

- 10. Continue the positive efforts to reduce impact of noise, vibration and dust caused by vibration activity.



## 2.0 PEOPLE

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Prior to the advent of fly in fly out operations, mining operations in regional communities generally tended to introduce a large, male dominated workforce that brought significant economic benefit, as well as infrastructure pressures and other negative social flow on effect. The unique history of Kalgoorlie-Boulder and the region have negated many of these negative impacts as the profile of the workforce in many ways mirrors the community, as detailed below.

### 2.1 Population

#### Context:

The Goldfields-Esperance Region's total population of 54,855 people accounts for 10.4% of the State's regional population, and 2.8% the State's total population.<sup>2</sup> The City of Kalgoorlie-Boulder boasts a population of just fewer than 30,000 people (2006 Census places the residential population at 28 422), which has fluctuated over the years dependant on the successes of the mining industry. This population makes Kalgoorlie-Boulder a significant regional centre, with the ability to access a number of services including health, recreational and economic that are often out of reach for many regional communities.

#### Actual Impact Considerations:

Currently, KCGM directly contributes around 2.8% to the local population through employment of its 549 employees and 255 contractors. (source: HR data 2007). Based on an average household size of 2.7 (source: ABS Census Data 2006), KCGM indirectly contributes 7.63% of total population. This does not account for the flow on population impacts arising from local economic spend, which is likely to increase total population impacts to over 10%.

#### Perceived Importance and Performance:

It is important to local stakeholders that KCGM management and employees are seen to be an integrated and visible part of the local community; particularly so for local business who rate this area as 4.5 out of 5. This is seen to be one of KCGM's highest performance areas for all stakeholders except Indigenous stakeholders. This high performance reflects an appreciation of the company's residential workforce policy over the fly in and fly out nature of many of the other local industry players. A higher visibility of KCGM management and employees is however required in local Indigenous communities.

#### Opportunities for Improvement:

1. Increase visibility of KCGM management and employees amongst local Indigenous groups and communities.

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<sup>2</sup> Goldfields-Esperance Development Commission (2003) *Goldfields-Esperance: Economic Perspective*, p 5

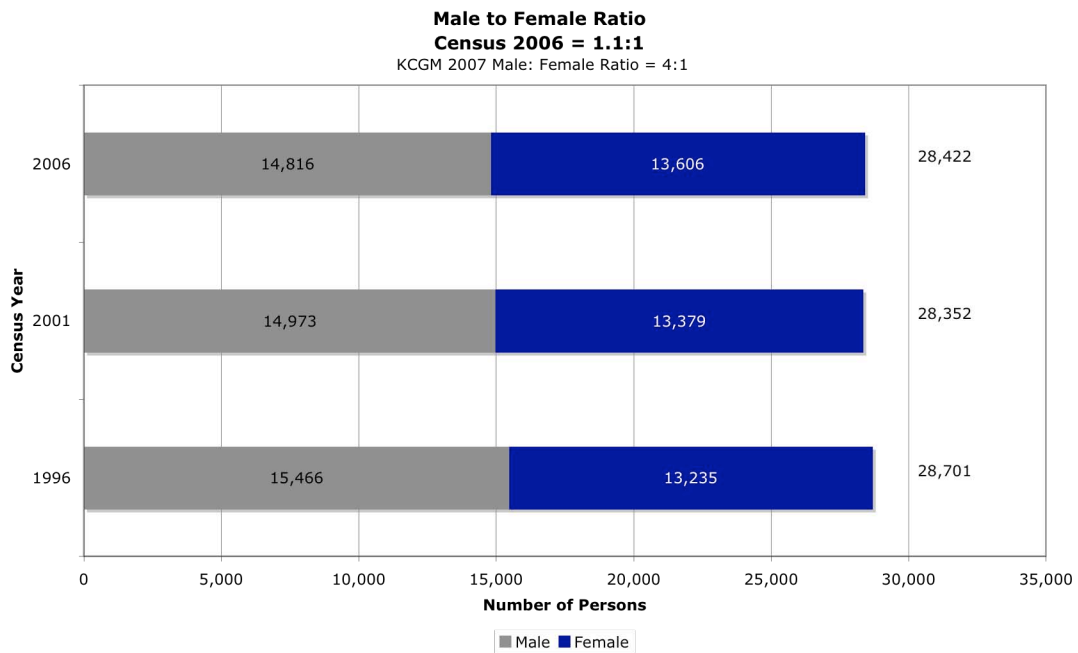


## 2.2 Demographics

### Context:

Despite the city’s reputation for being a male dominated community, the demographic profile points to a relatively stable, family orientated community. The gender mix identified in the 2006 census is fairly balanced at 1.1:1 male to female. This ratio is closer than previous census data indicating that the gap between male and females in the town is also narrowing, particularly in the traditionally male dominated age group between 30 and 50 years.

**Figure 13: Gender Profile**

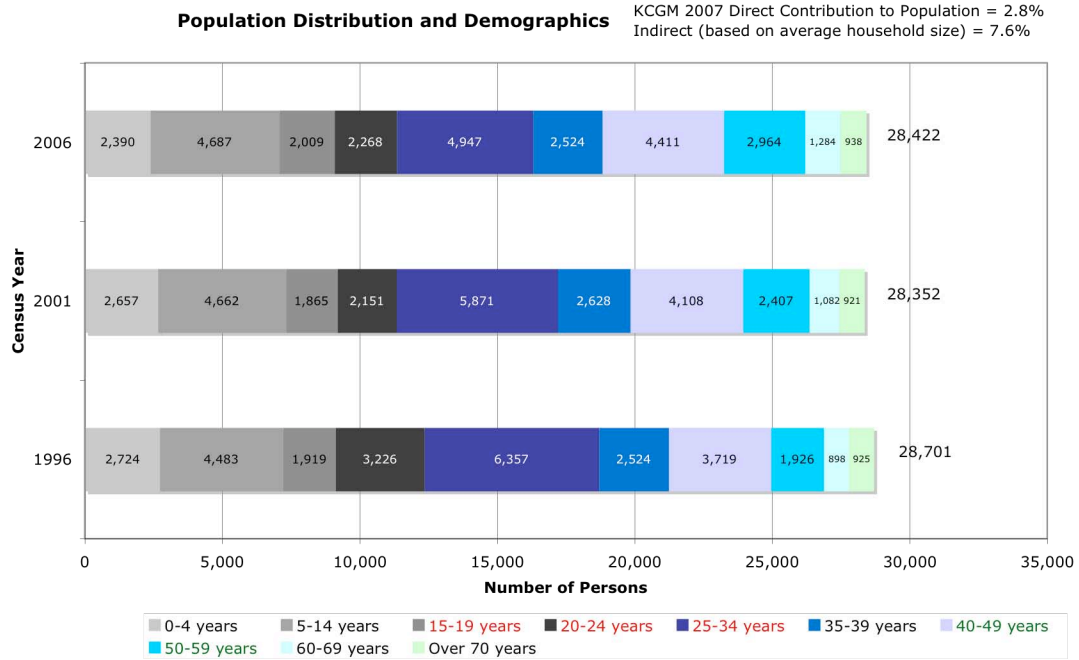


The City’s demographic characteristics suggest that there are a greater proportion of younger families compared to the State average. In particular, it is those in 0-14 and 30-39 age cohorts that are better represented in the Kalgoorlie-Boulder community than within the State’s population. Specifically, 24.9% of the Kalgoorlie-Boulder community are aged between 0-14 years, compared with 19.8% in the State. (Australian Bureau of Statistics (2006) Census Data). A slight reduction in the local population from late teens to early twenties may reflect a slight decline in educational opportunities for this group locally or reflect a general trend across Australia for this age group to travel or gain experience inter state or overseas.

An appraisal of the City’s demographic composition, including the proportion of males and females in the community is detailed in Figure 13 below.



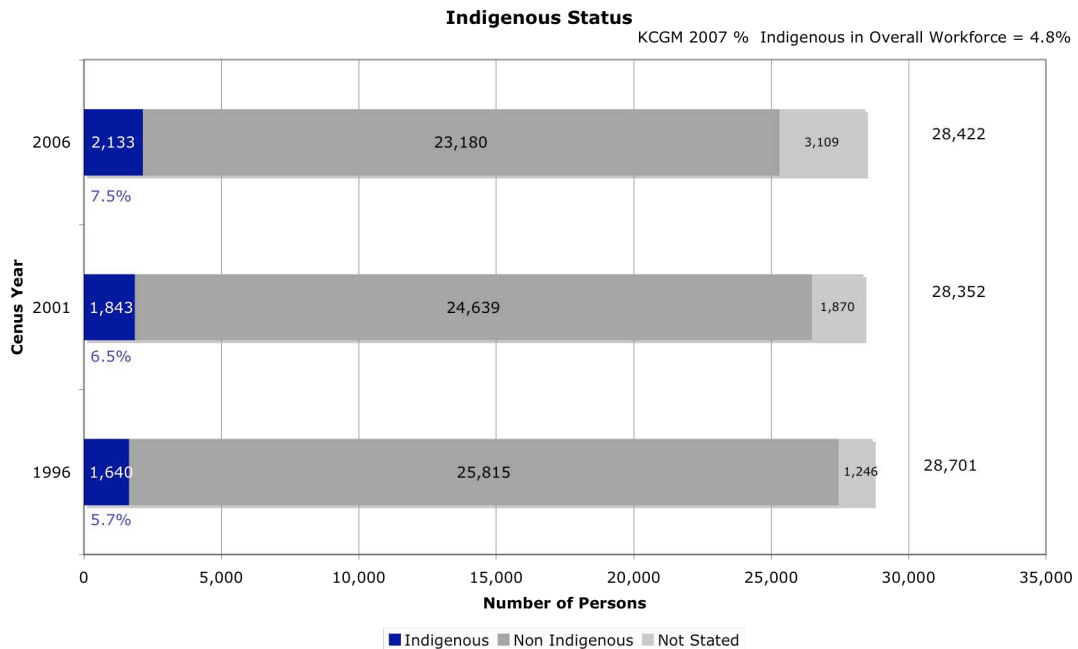
**Figure 14: Age Profile**



Kalgoorlie-Boulder has a high proportion of people identifying as Indigenous, as compared with the nation. In the recent census 2.3% of people within Australia identified as being of Indigenous origin, whilst in Kalgoorlie-Boulder this proportion more than triples to 7.5%. ((Australian Bureau of Statistics (2006) Census Data) In raw numbers there were 2,133 Indigenous people accounted for in the 2006 Census, though it is likely that this number of Indigenous people would not account for the many fringe dwellers that come to Kalgoorlie-Boulder from the Western Desert. This figure is higher than the 2001 Census which could indicate increasing Indigenous populations in rural areas as housing and accommodation pressures increase in larger centres such as Perth, a greater number of individuals classing themselves as Indigenous or data collection differences.



**Figure 15 Indigenous Profile**



The language groups of the region include a variety from the Central East, Western Desert and Southern Cross. Those of the Central East include the Widji, Maduwongga, and Mingawee; while the Wongatha people are the significant clan of the Western Desert; and Mirning, Ngaju and Gubrun people come from the Southern Cross area. Given the diversity of language groups in the Kalgoorlie-Boulder region it is important to recognise that there are differences and sometimes tensions between these Indigenous groups.

There is also a diverse amount of other European and Asia-Pacific ethnicities in the City's local government area, which adds to the complexity of the community.

**Actual Impact Considerations:**

The demographic profile of KCGM's workforce and how it fits within the local community has an impact on levels of social cohesion, service resourcing and areas for focus of community funding.

Currently KCGM's workforce fits the local social demographic relatively well. Recent initiatives to improve local Indigenous employment have seen an increase in Indigenous employees and contracts to 4.8%, and whilst not an exact reflection of the local population level of 7.5% if the program and improvements continue this result could be achieved in the near future.

KCGM's gender equity has seen a slight fall in recent times with the ratio of males to females on site being 4:1, and whilst this is higher than industry averages more work could be done to look at attraction and retention of female employees. Particularly given they represent just under 50% of the local residential population and workforce retention and attraction are such crucial issues in the current market.





### **Perceived Importance and Performance:**

Again, as noted under population, KCGM management and employees are seen to be a relatively integrated part of the community. They are also seen to be good employers with good remuneration and diversity policies by those outside the organisation (mean ratings 3.7 out of 5 for residents and 3.9 for local businesses). However internally performance mean ratings on this attribute are a little lower (2.89 out of 5). The local Indigenous community also rates performance low in this area (2.36 out of 5) which is likely to reflect a lack of knowledge of KCGM's initiatives in this area.

### **Opportunities for Improvement**

12. Continue efforts in Indigenous training and employment and increase awareness of the program amongst the local Indigenous population.
13. Work to improve retention and attraction of female employees and those from other groups with lower representation such as younger and older workers.



## 2.3 Social Cohesion

### Context

Historically the City of Kalgoorlie-Boulder has dealt with the complexity of creating a sense of community among migrant groups from communities around the world. The ability of the community to work together in this initially harsh environment is still seen as a major driver that sets the community apart.

However divisions are still seen to exist between the disadvantaged and other groups within the community – particularly between Indigenous people and non-Indigenous people of the Kalgoorlie-Boulder region. From the earliest contact with European settlers and explorers, Indigenous people have needed to adapt or survive the imposing cultural strength of non-Indigenous cultures. Present day Indigenous communities of Kalgoorlie-Boulder are no different, as they have strived to maintain their culture, families and livelihood to varying degrees of success.

As explained in Q & A's Social Needs Assessment (2005), the local Indigenous community has and continues to be – to varying degrees – socially excluded from the broader community. The key characteristics of social exclusion go a long way to explaining the “joined-up problems” that face the Indigenous community in Kalgoorlie-Boulder. In the case of fringe dweller communities and some young Aborigines these challenges appear to be even more severe and manifest themselves in various ways. (source: Randolph, B and Judd, B (1999)

In response to the complex challenges facing the Indigenous community there are a number of services/programs being delivered to the community. These range across a number of areas, which include violence, crime and justice; health; training, employment and economic development; family and community development; housing; and land, heritage and culture. (source: DIA, ATSIIC and City of Kalgoorlie Boulder (2002)

In addition, to these impacts on social cohesion, the nature of mining work is seen to be having an impact on the cohesion of the local community. In particular, the nature of the 12 hour shift, long shift rotations and lack of leave provided for culturally valued times such as Christmas and New Year are seen to be having an impact on local family life.

### Actual Impact Considerations:

KCGM are financially or actively involved with a number of programs promoting Indigenous reconciliation and improvement in “social citizenship” including the Polly Farmer “Follow the Dream Program”, Walk the Talk and Reconciliation Week. These are described in more detail under community development.

In addition, KCGM have increased the recognition and profile of the volunteering activities of their workforce, which increases participation and promotes greater social cohesion, through the introduction of the Volunteer of the Year award. The company also promotes and supports a number of community events such as the St Barbara's Day festival, which bring the community together.



However turnover and retention continue to be an ongoing issue for the organisation in an increasingly difficult demand driven employment market. Turnover is currently at 29% and survey responses illustrate that almost 2/3rds (62%) of respondents had been with the company for less than 2 years. (Although 1/4 (25%) state they had been with the company 5-10 years). The transient nature of this workforce is seen to have an impact both internally and externally on cohesion.

Shift work is however a significant component of KCGM's operation with over half (55%) the workforce on one of the following rosters:

- 12% on 2 days 2 nights 4 off,
- 4% on 9 days 5 off,
- 38% on 7 days, 3 off, 7 nights, 4 off. (source: HR data, email 21 May 2007)

Forty five percent (45%) are on 5 days, 2 off.

#### **Perceived Importance and Performance:**

Although the transient nature of the community has been highlighted as a perceived issue, results show that almost 2/3rds (64.3%) of residents surveyed had lived in the area for over 10 years (with 34.3% more than 20 years and 30% between 10 and 20 years) with almost half of the Indigenous respondents (42%) living in the area for over 20 years.

KCGM's ability to manage 12 hour shifts and the associated impact on family life was ranked No 2, No 3 and No 4 as performance improvement areas for employees and contractors, businesses and residents respectively. This issue was also highlighted in the human rights review below. Whilst it is a very difficult issue to manage within the industry as a whole, support of employee volunteering activities, creative ideas for flexibility such as holiday rosters for those with young families, child care alternatives and access to appropriate family assistance and counselling can attempt to offset the challenges. It appears both the community and employees also recognise the complexity of the issue with many unable to rate company performance in this area. Almost 1/4 (22%) of employees stated that they unable to rate company performance or did not know how to rate this attribute. However these employees tended to be mainly from professional or administration roles within the company.

KCGM was not seen by Indigenous respondents to speak up for them locally, with performance mean for this attribute being 1.93 out 5.

#### **Opportunities for Improvement:**

14. Continue to support employee volunteering initiatives, community events and Indigenous programs that promote greater harmony, cohesion and equality among community citizens.
15. Attempt to find creative ways to reduce the impacts of 12 hours shifts on family life such as a holiday roster for those with young families, childcare alternatives and access to appropriate family assistance and counselling.



## 2.4 Human Rights and Rights of Indigenous Peoples

### Context

In an international context Human Rights and the Rights of Indigenous Peoples are one of the most significant social impact exposures for mining companies. Reflecting this, KCGM's Joint Venture Partner Newmont have signed international declarations to honour human rights and the rights of Indigenous peoples reflected in their standards on these issues.

As part of this review, KCGM considered any potential exposures that may impact on their performance in this area. This detailed review is considered as Appendix I and used the relevant Newmont Standards, the Articles of the Universal Declaration of Human Rights, and the Articles of the Convention (No 169) concerning Indigenous and Tribal Peoples in Independent Countries as the basis for the investigation and awareness training.

This included consideration of the rights of employees and contractors, local Indigenous communities and claimant groups, residents and local businesses.

### Actual Impact Considerations

Human Rights as detailed in the standards and international declarations, relate to many of KCGM's actual impacts presented in this report – particularly around workplace conditions, social cohesion, Indigenous connections to land and country, economic reliance issues and lifecycle planning.

### Perceived Importance and Performance

The internal review highlighted that KCGM currently has relatively low exposure in these areas and has standards in place to ensure that no contravention is made of stakeholder rights.

In terms of general Human Rights, fair work conditions including no harassment or bullying, access to rest and leisure, privacy, arbitrary arrest or detention and rights without discrimination of race, colour or sex were highlighted as areas that would need to be monitored in the future. This report comments on current performance in these areas.

With respect to the Indigenous People's policy, the internal evaluation pointed to land, recognition of ownership, removal from lands, and respect culture and spiritual values as areas the management team felt would require monitoring or action in the future. This review also highlights that ongoing consultation, recruitment of Indigenous people and education and enterprise support are seen as very important issues to Indigenous people and performance in these areas should be included as part of the ongoing monitoring.

### Opportunities for Improvement:

16. Continue to monitor and investigate exposure under fair work conditions, access to rest and leisure, arbitrary arrest and discrimination, and ensure that appropriate programs are put in place e.g investigate whether a non denominational place for prayer or cultural leave concessions maybe appropriate on site and consider further the implications of GSDU on human rights.
17. Continue to support Indigenous consultation, education, training and enterprise initiatives.

## 3.0 COMMUNICATION AND ENGAGEMENT

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Access to communications 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 use and access to communication networks points to appropriate tools for community consultation and the ability to inform and build trust.

### 3.1 External

#### Context:

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. In addition, the City receives ABC FM, Radio National and Triple J. A local Indigenous community radio station called Tjuma Pulka radio has also been established in the area and uses KCGM's headframe for radio transmission.

ABC TV is broadcast through the region and programs from commercial TV broadcasters GWN and WIN can be received in 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.

The City is well equipped with telephone networks and services from a number of providers. The Internet is also available, with local call rate access. The 2006 Census indicates that the majority of households in the City have Internet access (63%), just below the state figure of (65%).

#### Actual Impact Considerations:

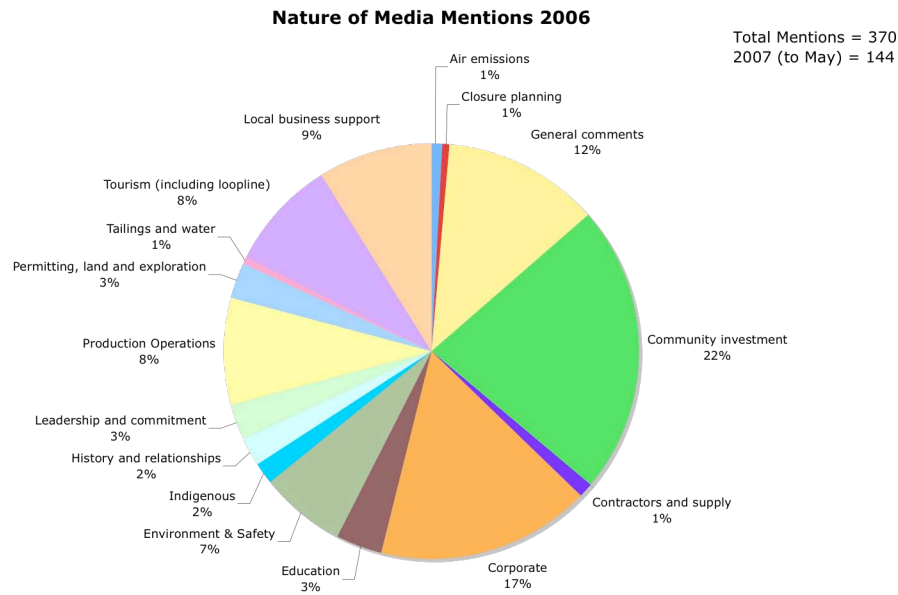
Currently, the KCGM uses the following methods of communication with external stakeholders:

- The Super Pit Shop
- "News and Views" – Community Newsletter
- "The Dirt" bi-monthly internal newsletter
- The internet site – [www.Super Pit.com.au](http://www.Super Pit.com.au)
- Media releases
- Word of mouth
- 24-7 Public interaction line
- Mail-outs
- Advertising
- Displays at the lookout
- Mine Open Days
- Community Reference Group
- Membership of various local forums and associations.

KCGM is represented at a high level through local media, as evidenced by the chart over.



**Figure 16: Media Analysis**



Source: CR\_MED\_RCD\_KCGM Media Articles

In 2007 media on KCGM primarily related to tourism, community investment, emissions and operations, reflecting the key positive and negative impacts highlighted by this review.

The Pit Shop has proved a successful community relations investment, providing the community with direct company access, up to date information and highly visible evidence of corporate commitment to community relations. Visitor numbers totalled 2,480 in June 07 bringing the year to date total to 15,317. Average number per day for the year were 90 and total sales for the month was \$10,974.77 with profit of \$3,487 being available for distribution to local community programs. KCGM is to be commended for this initiative. (source: KCGM CR Report 2007)

In addition, to the significant communication via the media and pit shop, KCGM's Community Reference Group meets monthly, with representation from 10 members of the community and invited guests from various government agencies.

The Public Interaction Line (PIL) also provides further opportunity for community feedback and involvement with approximately 152 calls year to date. These primarily relate to air emissions, dust and vibration, land access and culture and heritage sites.

The company also offers regular mine tours (12 tours were run in June 07) and provides daily access to the lookout. In addition, regular paid Super Pit tours are now underway with an independent tourism provider. These initiatives are important communication tools for the operations but also a significant contributor to local tourist activities.

KCGM have also put in direct effort to engage the Williamstown Residents Committee and residents of this area to improve relationships and overcome historic antagonism between the company and residents committee.

## Perceived Importance and Performance:

### Communication Methods and Sources

KCGM's current use of the media, Pit Shop, public information line and community reference group as primary communication tools for the organisation appropriately matches local information sources. Local newspapers were the main local information source (92% for residents, 96% for local Businesses and 53% for Indigenous representatives); followed by Word of Mouth (59% for residents, 58% for businesses and 42% for Indigenous representatives); Radio (59% for residents, 46% for businesses and 16% for Indigenous representatives) and Company Personnel (36% residents, 20% businesses and 53% for Indigenous representatives).

It is worth noting that Indigenous representatives rely more greatly on company personnel for information on KCGM than other sources and this confirms the need mentioned previously for more structured visits by company personnel to local Indigenous communities to provide up to date and accurate information on activities and to seek feedback.

Government stakeholders tended to rely on their access to the company in an official capacity, as well as their involvement on groups such as the CRG for up to date information on the company. Comment was made of a recent mine tour for state based agencies which was felt to be necessary given KCGM's relatively low profile for state based agencies and the significant turnover in agency staff in recent times.

### Content, Engagement and Transparency

*Regular communication* and *active engagement on issues of importance* by KCGM were seen as very important by all stakeholder groups. (Mean importance rating scores were 4.6/5 and 4.74/5 for Indigenous stakeholders; 4.4/5 and 4.4/5 for residents and 4.4/5 and 4.5/ for businesses respectively).

KCGM's performance was rated as excellent in both of these areas by local businesses and very good by local residents, with mean performance scores at 4.1/5 and 4.0/5 for businesses and 3.7/5 and 3.5/5 for residents respectively. This demonstrates a significant improvement since the 2004 SIA and highlights the importance of the strategies KCGM have recently put into place to improve in this area. Williamstown respondents, albeit a small sample size, also rated the company highly in this area (4.0/5 on regular communication and 4.3/5 on active engagement on issues of importance). Again demonstrating recent improvements.

This result is also commendable considering some of the challenging consultation and communication issues the company has faced in recent times including the death of a local contractor in a light vehicle accident, air emission licence issues and expansion and closure planning.

Further improvement, as highlighted elsewhere, is still required for better communication with Indigenous representatives, with performance mean scores here considerably lower at 2.60/5 and 2.73/5 for the two measured attributes respectively.

### Opportunities for Improvement:

18. As highlighted elsewhere, improve regularity and face-to-face communication with local Indigenous groups.

## 3.2 Internal

### Context:

Effective internal communication is an important social driver for the KCGM workforce, it has been demonstrated in a number of studies to improve operational performance, retention and building a strong internal culture. In addition, for a company with a significant residential workforce in a community that relies heavily on company personnel for information, effective internal communication also ensures the correct messages are being relayed externally.

Current internal communication tools include:

- Daily managers report
- Toolbox meetings for operational areas
- Weekly operations BBQ
- Daily managers meetings
- Monthly safety meetings
- Inductions
- SEC monthly forums
- News and Views (internal and external)
- The Intranet
- The Contractors Handbook
- Quarterly TAC/JV meetings.

The SIA Review included a detailed look at internal communication in terms of the methods/tools used, content desired, delivery and performance in these areas.

### Actual Impact Considerations:

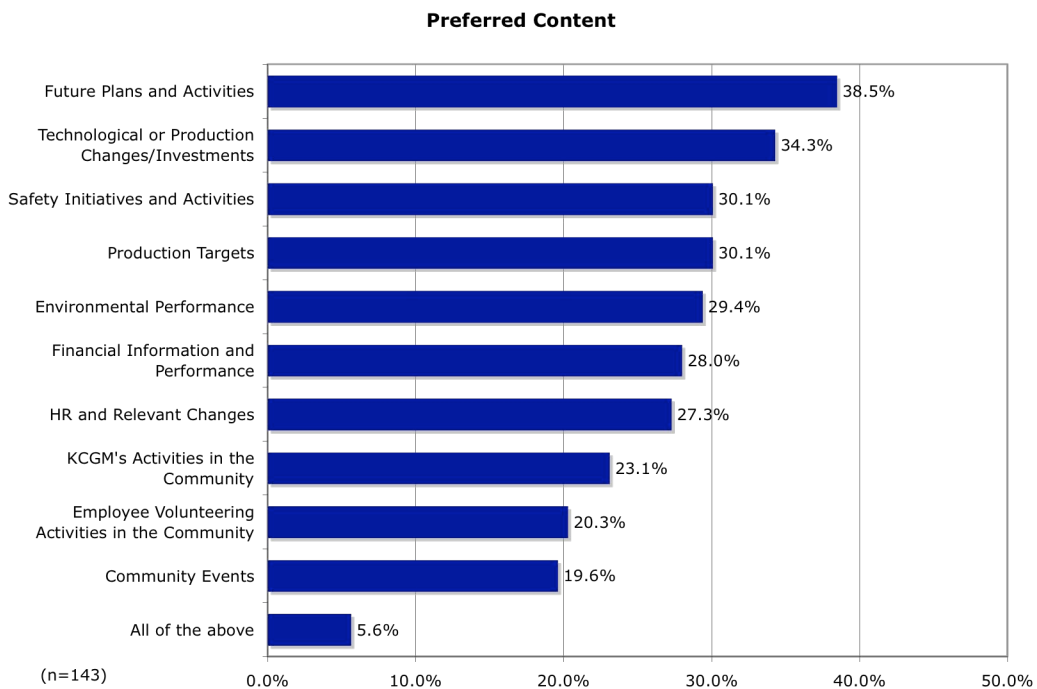
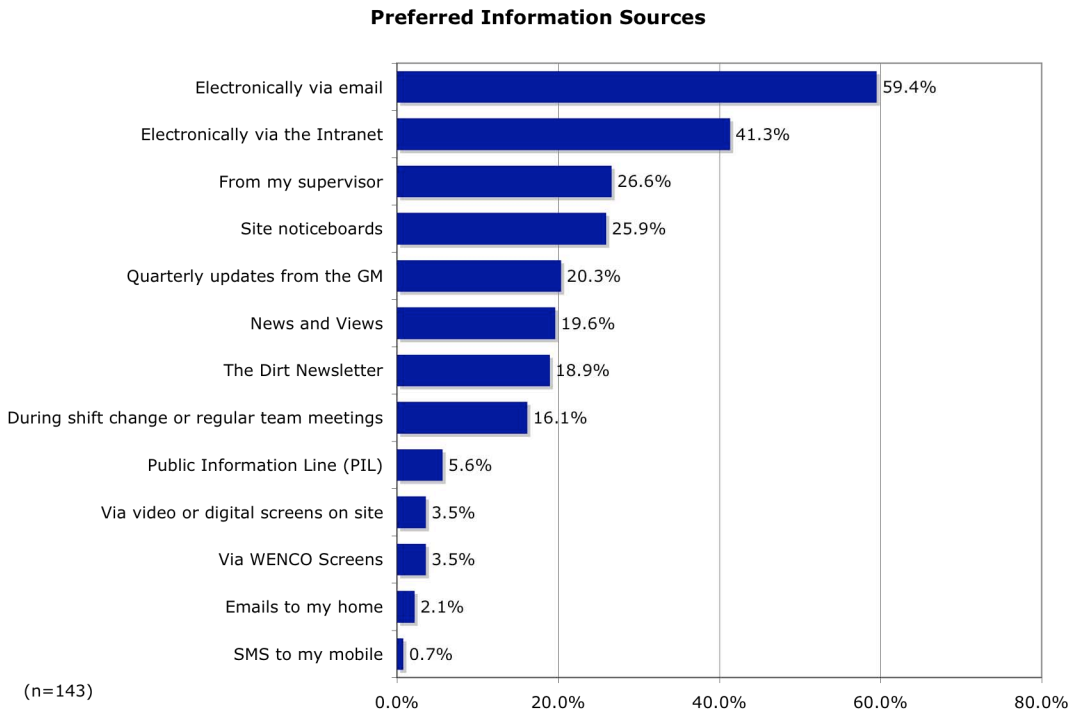
#### Method

KCGM's current internal communication tools do currently have an emphasis on the intranet and Internet. However other tools such as the weekly GM's newsletter, quarterly presentations and meet the new arrivals add more personal processes that allow for interaction. Daily communication notes, Block 45 screens, noticeboards and incident reports also allow for up to date information to be circulated with relative speed and consistency.

These methods fit appropriately with the preferred information sources for employees and contractors – being Electronically – email and intranet (59.4% and 41.3% respectively); from my supervisor (26.6%); Site noticeboards (25.9%) and Quarterly updates from GM (20.3%). News and Views (19.6%) and the Dirt Newsletter (18.9%) were also cited by around a fifth of the workforce as preferred information sources. Other preferred information sources included shift changes or team meetings (16.1%), Public Interaction Line (5.6%), WENCO screens (3.5%), Video or Digital screens (3.5%) and emails to home (2.1%) or SMS to mobiles (0.7%).



**Figure 17: Internal Feedback on Communication Preferences**



It was recognised by the management team that one internal communication gap was the ability to get a direct answer quickly on issues of concern and that perhaps an internal PIL either by phone or electronically could address this gap. In addition, employees suggested that an annual across site training or awareness day could help to develop understanding across site and how individual roles/departments fit into overall operational performance.

#### Content

The management team also recognised a need to communicate lead indicators and future plans in a more pro-active way. This was echoed by employees who listed future plans and activities as their number one area of interest to receive information on (38.5%). Employees and contractors also listed technological or production changes/investments (34.3%); safety initiatives and activities (30.1%); production targets (30.1%), environmental performance (29.4%); HR and relevant changes (27.3%); KCGM's activities in the community (23.1%); employee volunteering (20.3%) and community events (19.6%) as areas of interest.

#### Delivery

The management team also recognised a key success factor for internal communication is the ability of the operational leaders and supervisors to deliver information in a consistent and engaging way. The Open Pits key steps program for all pit supervisors, which includes effective communication and coaching, is one way the site has taken to improving delivery.

#### Perceived Importance and Performance:

Regular internal communication, provision of information of interest and appropriate delivery by KCGM management (in a clear and direct way) were all seen as very important by employees and contractors (with importance mean ratings being 4.87/5; 4.37/5 and 4.61/5 respectively). Performance was rated as fair in all three areas reflecting some room for improvement (3.54/5; 3.21/5 and 3.30/5 respectively). *Appropriate skills to deliver information in a clear and direct way* was ranked No 5 as an overall performance improvement area to address for this group.

#### Opportunities for Improvement:

19. Ensure effective communication skills are included as an employment and advancement criteria for site supervision and management.
20. Investigate an appropriate process for raising of queries and obtaining direct and accurate responses for employees and contractors e.g. advertisement of PIL for use internally or an electronic noticeboard type process that publishes responses.
21. Ensure results and quarterly presentations include lead indicators and where appropriate an update on future plans and likely activities.



## 4.0 COMMUNITY DEVELOPMENT AND SOCIAL NEEDS

### Context:

As mentioned earlier, Kalgoorlie-Boulder has access to relatively good community and social services given its size and regional importance. It is still important for KCGM to be an active contributor to the community and for it's contribution to appropriately meet community needs and expectations.

In 2005, Q & A conducted a detailed social needs assessment for KCGM to allow for improved direction in community giving and criteria for assessment that met local needs.

This study showed a number of specific groups within the community required greater assistance than others. These included:

- Ninga Mia and Indigenous fringe dwellers
- Indigenous Youth
- Youth in general
- Young Families
- Seniors
- Williamstown residents

The challenges faced by these groups included low levels of education, physical dislocation from the broader community, substance abuse and addiction, poor access to passive recreation and social activities, limited leadership opportunities and representation, accommodation, out of school care and childcare, and access to services.

In more recent times, local community development issues have focused on recreational activities such as the international standard golf course (A\$13million investment), tourism and heritage initiatives (such as the Loopline, Boulder main street and Golden Quest Trail) and community services such as addressing the lack of staff identified as an issue at Kalgoorlie Regional Hospital.

### Actual Impact Considerations:

KCGM are active sponsors of a range of local community organisations and community activities. Company policy is to only sponsor local community people and local events within the Kalgoorlie-Boulder area, and excludes from consideration sponsorships of political parties, religious events, individuals, adult recreational sports and commercial ventures.

KCGM has identified in their community relations vision, **Consider, Communicate and Contribute**, the following principles:

- Consider all cultural, social and heritage issues when planning any activity.
- Consider buying local first.
- Communicate openly and effectively with both employees and the community (which employees are also part of).
- Listen to the community about its concerns and expectations, and act upon this formation to continually improve operations.
- Positively contribute to the community through local sponsorship, support and participation.

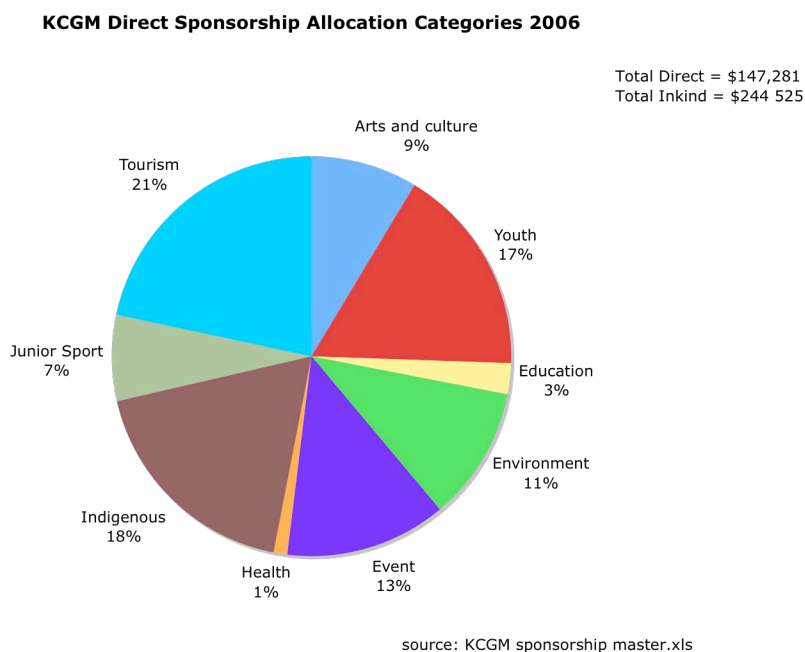


- Encourage employees, through training and resources, to continually improve community relations.<sup>3</sup>

Part of KCGM’s direct involvement in the community includes their support for a variety of events that aid to build community spirit e.g as mentioned previously KCGM’s financial support for the annual St Barbara’s Festival. This well patronised event provides an excellent opportunity for the community to celebrate their place and their pride.

These corporate goals for KCGM’s community relations are a progressive step towards building and maintaining excellent relations with their community. Being able to implement these in a meaningful way will benefit the community and KCGM, as it strives to increasingly improve its performance as a mining company and its relationship with the community.

**Figure 18: KCGM Sponsorship Target Areas**



These programs do meet the areas of need identified in the social needs analysis. It is also worth mentioning KCGM’s Indigenous programs include Polly Farmers “Follow the Dream” and the tertiary educational scholarships through “Partners in Success” which are important initiatives identified by Indigenous representatives to make a difference to their community. However, in terms of community development, the current challenges being faced by Ninga Mia will require intervention from government, community and business leaders. KCGM will need to participate in this debate to ensure appropriate solutions are found for the future.

In terms of targeting youth and recreational activities KCGM donated \$1 million in 1996 towards construction of the Goldfields Oasis Rec Centre. The company has continued to support a number of initiatives relating to junior sport, music festivals and other youth activities.

<sup>3</sup> Website [www1.Super Pit.com.au/page/comrel\\_overview.asp](http://www1.Super Pit.com.au/page/comrel_overview.asp) – accessed 15/2/05



Finally, as mentioned in other sections, one of KCGM's major contributions to the local community has been through sponsorship and encouragement of tourism and cultural heritage initiatives such as the Super Pit shop, the WA Museum, the Mining Hall of Fame, the Golden Mile Loopline and other such initiatives.

#### **Perceived Importance and Performance:**

All stakeholder groups see KCGM's financial contribution to the community as very important. (Importance means were 4.8/5 for business, 4.5/5 for residents, 4.24/5 for employees and 4.58/5 for Indigenous). Performance was also rated between good and excellent for most respondents, with the exception of Indigenous respondents. (Mean scores were 3.9/5 for residents, 4.3/5 for businesses, 3.50/5 for employees and 2.94/5 for Indigenous). That said, this was one of the higher overall performing areas for KCGM's performance by Indigenous representatives when compared to other areas.

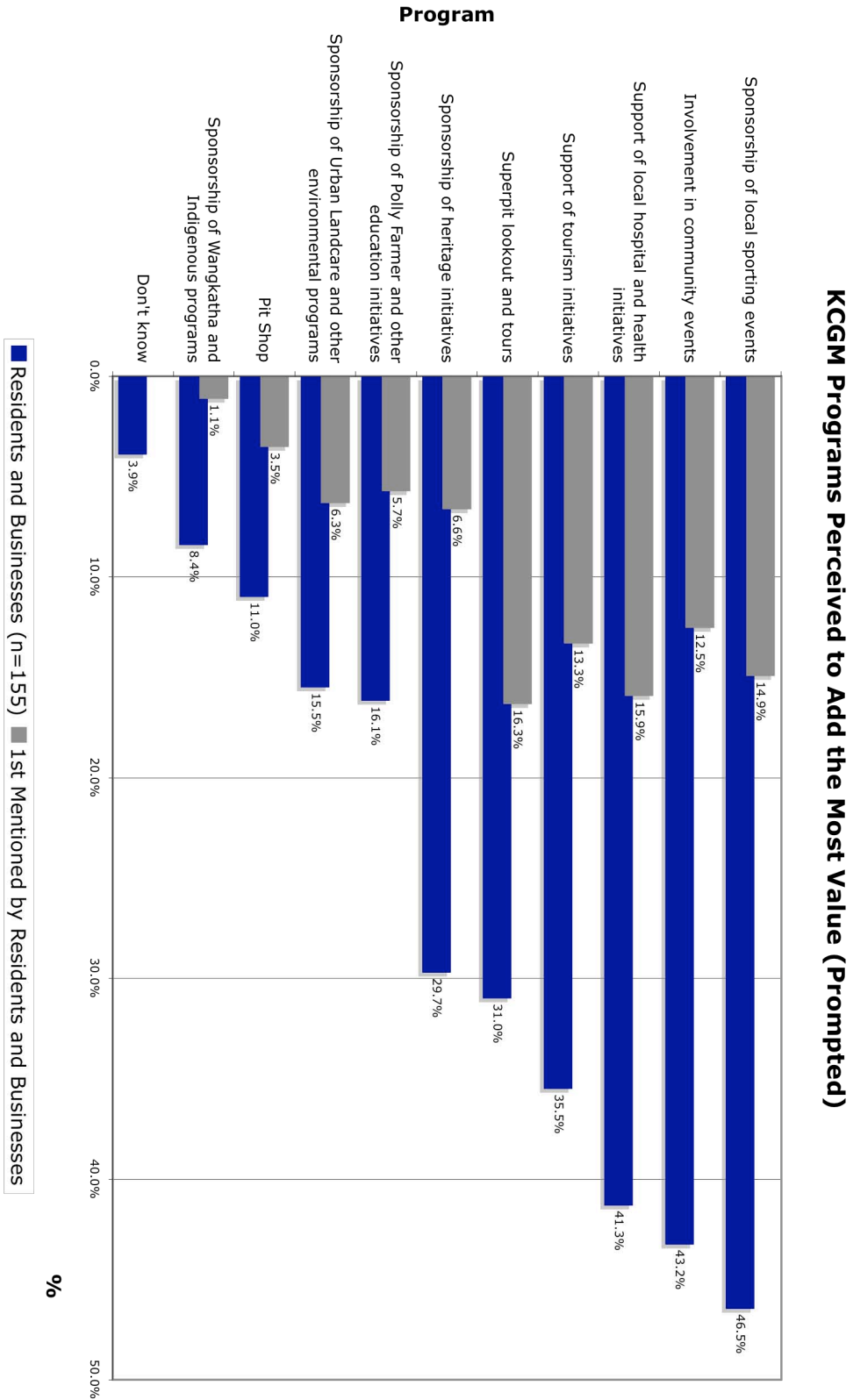
The perceived value of KCGM's programs also tended to meet funding targets with tourism initiatives, local sporting events, health services and community events topping the list. Perceived value of KCGM programs are illustrated in Figure 19 over.

#### **Opportunities for Improvement:**

22. Consider appropriate involvement from a lobbying/consultation perspective with ICC, Dept of Housing and Works (Towns Reserve Program), Aboriginal Lands Trust, local government and other Indigenous stakeholders to find an appropriate future solution to meet the current challenges being faced by Ninga Mia.
23. Consider further support for the Indigenous Patrol given its current funding challenges due to the removal of CDEP funding which supported drivers previously.
24. Continue to target and structure community funding along current lines.



**Figure 19: Perceived Value of Programs**



## 5.0 DIVERSITY, ENTERPRISE AND EMPLOYMENT

### 5.1 Economic Diversity and Reliance Issues

#### Context:

The economy of the Goldfields region is based on the extraction and processing of mineral resources, principally gold and nickel. Mining is a major contributor to regional GDP estimated to be over 60%. Mining is followed by Agriculture, Tourism and Services in contribution terms.

The Goldfields have seen the ebb and flow of mining activity for over a century. Kalgoorlie-Boulder in particular has ridden out a number of low points in the industry since the initial gold rush to the current boom. However, the issue of economic diversity and resilience of this community is particularly salient in this review as the Super Pit begins to consider its operational closure at end of mine life, currently forecasted for 2017.

#### Actual Impact Considerations:

Annually the Super Pit produces over 830,000 ounces of gold and is therefore a significant individual contributor to regional GDP.

KCGM is also one of the leading tourist attractions in the area and supports the growth of this industry by offering tours of the pit, maintaining the lookout, advertising blast times and running the Pit Shop in Boulder. It also supports local tourism development through cash investment in initiatives and providing a conduit for WA Tourism surveys.

It is also a significant user of local business. In 2006, over one third (36%) of its 910 suppliers had a local Kalgoorlie office and almost half (48.5%), of A\$466million spend was with these companies, representing a local spend of A\$226million (source: supply email 15/5/07). In addition, the company contributes to a number of local development programs and events and the super pit profits are also reinvested to local groups. Direct total economic value added to the Australian economy is estimated to be in the vicinity of \$A481.14 million. (source: Newmont Now and Beyond 2006). Over half of this total is spent locally via local suppliers, local payroll and community sponsorship or donations.

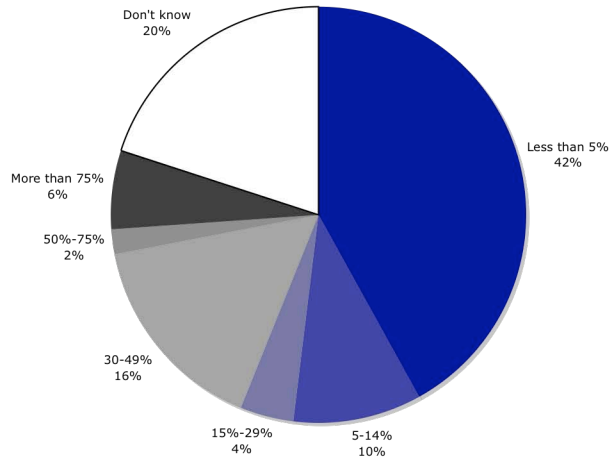
#### Perceived Importance and Performance:

This contribution is recognised by respondents who rate KCGM's contribution to *the economic diversity of the region including tourism, heritage and local business capacity* as very good with mean performance ratings of 4.0/5 for local business, 3.9/5 for local residents and 3.5 for local employees and contractors. This factor also features high in the list of importance for all stakeholders. (4.6/5, 4.2/5 and 4.2/5 respectively)

In terms of attempting to determine an indicator for current reliance on the company, the CRG were asked to comment on their perception of local reliance. Estimates ranged between 5% to 60% with the majority stating around 30%-40%. Local business reliance was also accessed as part of the telephone survey. The majority of businesses (52%) placed their direct and indirect reliance on KCGM (as a % of annual turnover) at less than 15%. However the medium to larger businesses surveyed (with turnovers of more than \$500,000 per annum) tended to rate KCGM's direct or indirect contribution to annual turnover between 30% and 50%.

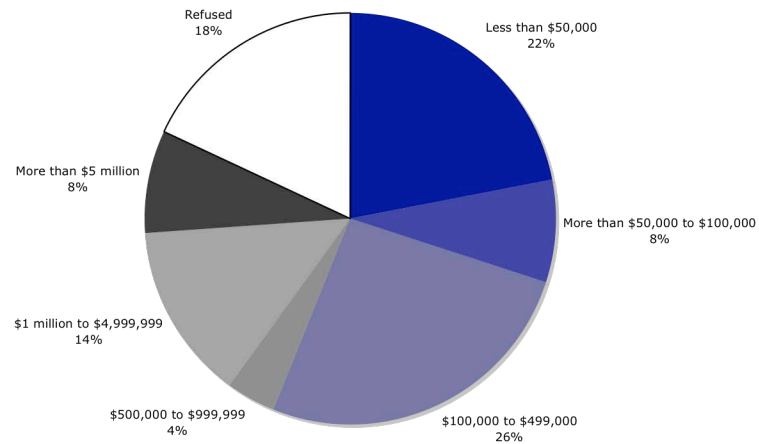
**Figure 20: Estimated Business Turnover and Reliance**

**Estimated % of Turnover Direct or Indirectly Attributable to KCGM**



(n=50)

**Estimated Turnover of Businesses Surveyed**



(n=50)





These results show that there is no doubt that KCGM is a significant local contributor but the community does shows some resilience through its development of tourism based initiatives, its role as a regional centre and other mining and education ventures. Other economic contributors are seen to be:

- Chamber and other miners (Barrick, BHP, St Ives/Goldfields) though many of these have fly in fly out workforces rather than residential workforces;
- Tourism and tourism associations, hoteliers, Boulder promotions, loopline etc
- Rail and transport services
- APLA – prospectors and landowners
- Mining and engineering services (Mododelphus, JR Engineering, Ausdrill, Vehicle distributors)
- Education - Curtin University and local Schools
- Health services including Kalgoorlie Regional Hospital and Bega Heath Service
- Homeswest and other community services
- CCI and small businesses including restaurants, takeaways, newsagencies, supermarkets, petrol stations (CCI membership includes 400 local businesses)
- Rotary clubs, Lions clubs and sporting clubs.

**Opportunities for Improvement:**

Opportunities for improvement for this area are discussed under closure planning.



## 5.2 Employment (including Indigenous)

### Context:

Employment data not yet released by ABS but is not expected to have changed significantly since the previous census. Previous census data indicated that the majority of individuals in the city are employed as tradespeople or intermediate production and transport workers. Employment levels and education levels reflect the emphasis on these endeavours within the community. The total full time labour force in the City has shifted slightly over time reflecting changes in industry demand (1991 = 9044, 1996 = 11,589 and 2001 = 10,197) and is likely to be around or higher than 1996 levels currently. (source ABS Census Data)

Attracting and retaining suitable employees is a significant challenge in the current economic climate and skills shortage.

### Actual Impact Considerations:

KCGM employs 549 employees and 255 contractors (source: HR Report May 2007) which brings its estimated direct contribution to the local labour force to around 7%.

As mentioned previously KCGM is a significant local employer with over 99% of its workforce living locally. The remainder live in surrounding regions (Coolgardie 1%, Esperance 0.6%, Kalgoorlie 96%, Kambalda 0.2%), with only 1.5% residing in Perth (Source: HR data, email 21/5/07).

Currently, 25% of new trainees at KCGM are Indigenous bringing total numbers of full time Indigenous employees to 39 including 25 KCGM employees and 14 KCGM contractors. Applications are sourced from Indigenous Employment Centre, Justice Department, Labour Hire companies, Pit Shop and through general enquires. Indigenous trainees are provided with a minimum of three months paid training in all areas of the processing plant. Since commencing this program in August 2005, 7 production trainees have been transferred to full time Process Technician roles. (Source: HR data, email 21/5/07).

Investment in training and development of personnel also remains high. (source: HR Report May 2007; Newmont Now and Beyond 2006)

The significant changes in this area since the previous SIA are the improvement in Indigenous employment, and the new role of the pit shop in encouraging, supporting and sourcing local employment. All of which continue to boost KCGM's social performance in this area.

However, employee turnover continues to be an increasing concern as evidenced by the following figures (2001= 21% 2002 =26% 2007= 29.1%). This impacts both on internal cohesion but also community perceptions around the transient nature of the community.

### Perceived Importance and Performance:

Externally KCGM is seen to be trying to be a good employer with good remuneration and diversity policies. (Performance mean ratings were 3.9/5 for local businesses and 3.7/5 for local residents. This is seen as very important to both residents and local business. (4.4/5 and 4.5/5 respectively).

Internally, performance ratings were also lower with the mean rating for employees and contractors at 2.89/5 and performance ratings between average to good for the majority of

respondents. This was the No 1 improvement area for employees. However it should be noted that the timing of the survey coincided with annual agreement negotiations and this is likely to be reflected in the salience of this issue.

From an Indigenous perspective importance levels were similar with a mean rating of 4.79/5 however performance was considerably lower with a mean rating of 2.36 out of 5. This rated as No 2 on the performance improvement areas to address for Indigenous respondents. It is worth noting that over one quarter (26.3%) of Indigenous respondents said they did not know what KCGM was doing in the area so could not rate it. Interestingly, the Indigenous employee interviewed as part of this review was only aware of three other Indigenous employees on site.

Barriers to further improvements in Indigenous employment were seen by Indigenous respondents to be:

- A lack of mentoring or support role for Indigenous employees on site
- Financial literacy and coping mechanisms for Indigenous employees who faced additional family pressures once they started earning a regular income. *(It is a lot of money to get all of a sudden so need to know how to handle it)*
- Lack of awareness or interest among young Indigenous *(Need to do something to get young people interested in the mine – small groups on tour would be ideal. Get them in truck, shifting some dirt around and then take them to see the computers and how all that works. Once they have seen it they will be interested)*
- The nature of shift work – *(The shift work is a killer. For people who have hardly worked before – going into 12 hour shifts for two weeks is really difficult so they often work 2 weeks and have the next 50 off! Need to ease them into it, need to look at splitting and sharing the shifts initially, til they are used to it.)*
- Promotion within the company is seen to be problematic because of challenges in filling lower level positions.

#### **Opportunities for Improvement:**

25. Communication externally on Indigenous employment initiatives is required to increase knowledge amongst the Indigenous community.
26. There was comment from Indigenous respondents that greater support on site through an Indigenous mentor or liaison officer may help retain and support employees as well as increase awareness externally.
27. Continued efforts to reduce turnover are required.



### 5.3 Income Disparity

**Context:**

Closely linked to social cohesion, the ability of a community to adapt to the introduction of an extractive industry is closely linked to the salary level for the mine’s employees compared to the historic salary levels or those not employed by the industry.

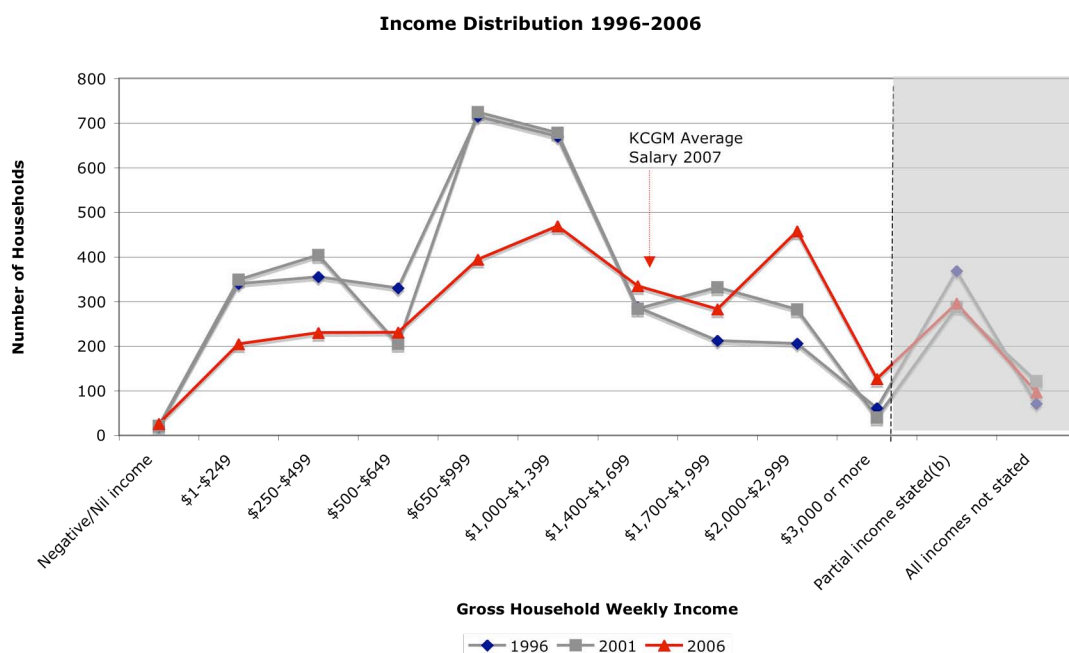
High disparity between historic incomes levels and new income levels can lead to excesses of spending, lack of appropriate financial matters and increased crime levels between “those who have and those who have not”. In addition, high disparity between incomes of those employed by the mining industry and those who are not can create local tensions, resentment and increased crime and anti-social activity.

The City of Kalgoorlie-Boulder has traditionally had higher average incomes than the state as a result of the high proportion of the population employed directly or indirectly by an industry that has traditionally paid well. Income distribution has tended to be normalised across a reasonable income curve with the majority of incomes falling in the moderate range. Figure 20 below however illustrates that in the 2006 Census there was a significantly higher increase in incomes at the higher end of the curve, likely to reflect the current mining boom and strong competition for employees.

**Actual Impact Considerations:**

KCGM’s current average income for an individual employees sits at \$83,960 per annum, which is at the moderate to high end of the gross householder income distribution curve particularly bearing in mind this is an individual salary rather than household income.

**Figure 21: Kalgoorlie Boulder Income Distribution**



(source: ABS Census Data 1996-2006)



However KCGM management and employees are well integrated into the community, and very little comment has been made in this review or the previous SIA to indicate that disparity is an issue. This issue will need to be monitored however if the boom continues and competition for workers continues to result in increased salaries.

**Perceived Importance and Performance:**

As stated in the previous section of this report, KCGM management and employees are seen to be well integrated into the community and community cohesion is relatively high.

**Opportunities for Improvement:**

None applicable.



## 5.4 Indigenous Enterprise Development

### Context:

The Goldfields has seen the development of a number of Indigenous enterprises or enterprises that are employers of Indigenous peoples with varied levels of success. The majority of these have focused on support for the mining industry including operators, labouring and rehabilitation.

### Actual Impact Considerations:

KCGM's support of local Indigenous enterprise includes The Indigenous Employment Centre, Marnta Media and Jims Weeds and Seeds.

Jims Weeds and Seeds employ five Aboriginal workers on a full time basis. This contract is seen to work well given the flexibility of the relationship, direct and open access to KCGM's contract supply staff and management, non reliance on government funding and strong mentoring within Jims. (source: Q & A SIA Review Interview 2007)

There is room for a greater involvement in Indigenous enterprise development in the future to bring this area in line with KCGM's strong performance in local procurement.

### Perceived Importance and Performance:

This area was seen by local Indigenous representatives to be the lowest performing area with a mean performance score of 1.86/5. Again lack of awareness was an issue with 26.3% stating they did not know what KCGM did in this area.

### Opportunities for Improvement:

28. Investigate opportunities to support local Indigenous enterprises or new enterprises as part of closure planning and programs to encourage local economic diversity.
29. Communicate these initiatives to local Indigenous communities.



## 6.0 ROADS AND INFRASTRUCTURE

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### 6.1 Bypass Road and Golden Mile Loophline

#### Context

As a result of the Super Pit's open cut design and expansion over time, changes have been required to some local roads and infrastructure. The bypass road, construction of the conveyor and re-alignment of the loophole have resulted in changes to the local town planning grid and access to some areas of the community.

Actual traffic count data on Goldfields Highway between Great Eastern Highway and Anzac Drive in 2007 shows relatively high levels of traffic movement, with the Average Daily Count at 3,241 vehicles; of these 74.6% were light vehicles, 20.6% heavy class 3-9 and the remaining 4.8% heavy vehicles class 10-12. These are consistent with 2004 figures though there were slightly less vehicles in the recent count than in 2004 and a greater percentage of heavy class vehicles. The 85% average speed recorded on the highway was 87 km per hour. (source: Main Roads Traffic Count Data 2007)

#### Actual Impact Considerations

KCGM recognise their impact on local traffic and transport infrastructure and made a commitment to establish entry statements for Boulder and Ivanhoe Park. These were part of the original bypass road realignment project commitments. The entry statement for Ivanhoe Park has not been completed to date. The Council is also planning to establish a park at Dart St using KCGM funding of \$30,000. All three enhancement projects were originally cooperative projects between the company, Council and Main Roads. (source: KCGM CR email 2007)

In addition, KCGM has actively worked with Golden Mile Loophline Historical Society to see its re-establishment. The company completed the engineering study to the value of \$300,000 and has funded over \$1 million to assist with the Loophline project. (source: KCGM CR email 2007) The organisations closure vision sees the re-establishment of the Loophline as an important part of the tourism legacy left by the operations. It's re-routing across the pits northern bund would offer views over the town and the pit. The society is now seeking further funding from alternative sources to ensure this project gets appropriate traction in the near future.

It is important that these initiatives are carried through to completion as an offset for some of the induced changes made to local infrastructure over time by the operations.

The company and the community cited increased traffic and mixed use on the bypass road as a safety issue. KCGM's recommendation to close the bypass road from Southerland St to east of microwave tower due to safety reasons was considered by the council recently. In addition, light vehicle safety has been listed as a key focus for KCGM over coming months.

#### Perceived Importance and Performance:

This issue was not measured directly in this SIA review given a relatively low level of salience of the issue in previous work. However KCGM's support for the Loophline project is seen as an important local initiative, as demonstrated in the value of programs table on pg 53. In addition, this issue affects the company's historic relationship with local residents, particularly those in Williamstown.





**Opportunities for Improvement:**

30. Continue to monitor infrastructure impacts, project progress and management through closure planning consultation.



## 7.0 SAFETY AND EMERGENCY SERVICES

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### **Context:**

Kalgoorlie-Boulder has access to a well-equipped hospital by regional standards, and a volunteer based Ambulance and Fire and Emergency Rescue service. In addition, the community is supported by a number of other health and emergency services.

Community health and safety risks tend to relate to traffic incidents, exposure to dust and other air emissions, old mine shafts and exposure to falls and injury, and fire. Employee health and safety risks include inhalation of metal fumes at the mill and Gidji stacks, exposure to Sulphur Dioxide at Gidji roaster and traffic incident including both light vehicles and trucks.

### **Actual Impact Considerations:**

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. In 2005 a Memorandum of Understanding was signed by KCGM with FESA and St John's Ambulance to provide reciprocal aid to each other's emergency response teams. This support and use of local services is to be commended.

Since 2004, some notable safety initiatives have been introduced on site including safety check cards, drug testing and a formal fitness program. However safety records suffered some setback with two lost time injuries in 2005 and a death in a vehicle accident at the operations in 2006.

### **Perceived Importance and Performance:**

KCGM *applying best practice safety* was rated as a very important issue by employees and contractors (importance mean = 4.91/5), local residents (importance mean = 4.8/5), local businesses (importance mean = 4.8/5) and Indigenous respondents (4.7/5). KCGM was seen to be *applying best practice safety management* by most respondents though the performance mean rating was slightly lower for employees than other stakeholder groups. (i.e 3.8/5 for employees and contractors, 4.0/5 local residents and 4.3/5 local businesses). Almost a third (31.6%) of Indigenous respondents did not know how to rate KCGM's safety performance, but those that could gave a performance mean rating of 3.3/5. The highest mean performance rating for this stakeholder group.

Safety was a salient issue for Williamstown residents, likely to reflect their concerns around safety of old shafts and the conveyor to children in the area and their proximity to the operations.

### **Opportunities for Improvement:**

None applicable.



## 8.0 LAND AND PROPERTY

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### **Context:**

There are currently 11,848 dwellings in the City and this figure has remained relatively consistent since the 1996 Census. Almost  $\frac{3}{4}$  (81%) of these dwellings are stand-alone houses. Median rents (\$165 per week) and median loan repayments (\$1,200 per month) sit comfortably against average incomes at approximately 10% and 17% of average income respectively. Housing affordability indicators are usually set at around 30% of total income.

In terms of land tenure, 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 small mines within the area.

Land to the north of the pit is primarily station country, with many tenements held by smaller prospectors or mining companies.

### **Actual Impact Considerations:**

Since 1992 KCGM has undertaken a program of passive property acquisition and now owns all residential properties within 400m from the proposed Golden Pike Development. (source: KCGM Concept Plan 2004)

The company has also requested as part of its expansion approvals to reduce the safety exclusion zone from 400m to 200m. This has been greeted with some resistance from local groups and is yet to be decided.

Historical challenges between KCGM and the Williamstown Residents Committee and adjacent landowner Optimum Resources have been improved through regular communication. However in early 2006, KCGM had an environmental incident on site that resulted in the overflow of what is believed to be process water, onto an adjoining lease held by Optimum Resources. This incident is currently under investigation and was communicated to Optimum via a series of face-to-face meetings with KCGM's former GM.

In addition, any property damage claim caused by blasting or mining activity is thoroughly investigated (See Sc 1.3 noise, dust and vibration).

### **Perceived Importance and Performance:**

*Relationships with local residents* is not rated as highly in terms of performance when compared to other indices such as communication and engagement. This is likely to reflect historic land and property issues with local residents such as the highly publicised relationship with Williamstown Residents Committee and amenity issues that affect adjacent properties such as dust and vibration. Performance means for relationships with local residents were 3.4/5 for residents, 3.7/5 for businesses, 3.29/5 for employees and contractors and 2.67/5 for Indigenous and this factor is 4<sup>th</sup> on list of priority improvements for government agency representatives. For Williamstown residents themselves, the performance mean was 2.5/5. (note small sample size (n=4)). These ratings show that ongoing effort must be continued to restore previously damaged relationships with some parts of the local community.





However, it is acknowledged that this area has improved considerably, along with the recognition of the importance of consultation on property and land issues within the company.

**Opportunities for Improvement:**

31. Use expansion and closure planning consultation, as a means to continue to engage local residents on town planning and land issues, particularly adjacent landholders and residents, as a means to continue to build stronger relationships with these groups.



## 9.0 LIFECYCLE PLANNING

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### 9.1 Expansion

#### **Context:**

The Super Pit is in an interesting life cycle phase as it floats both a proposal for expansion and initiates the conversations around likely mine closure in 2017. As discussed earlier, the Super Pit lies in extremely close proximity to local residents and businesses and impacts of any expansion of the pit, noise bund, safety exclusion areas and waste dumps could have impacts on these stakeholders.

#### **Actual Impact Considerations:**

Since the SIA in 2004, the most significant change to KCGM's social performance was the simultaneous release of the Fimiston Extension and 2017 Closure Plan. Significant work was put into this release including the involvement of a number of stakeholders and government agencies.

Current approvals only take the operation to 2012 and the proposed expansion will take the operation through to 2017. They include:

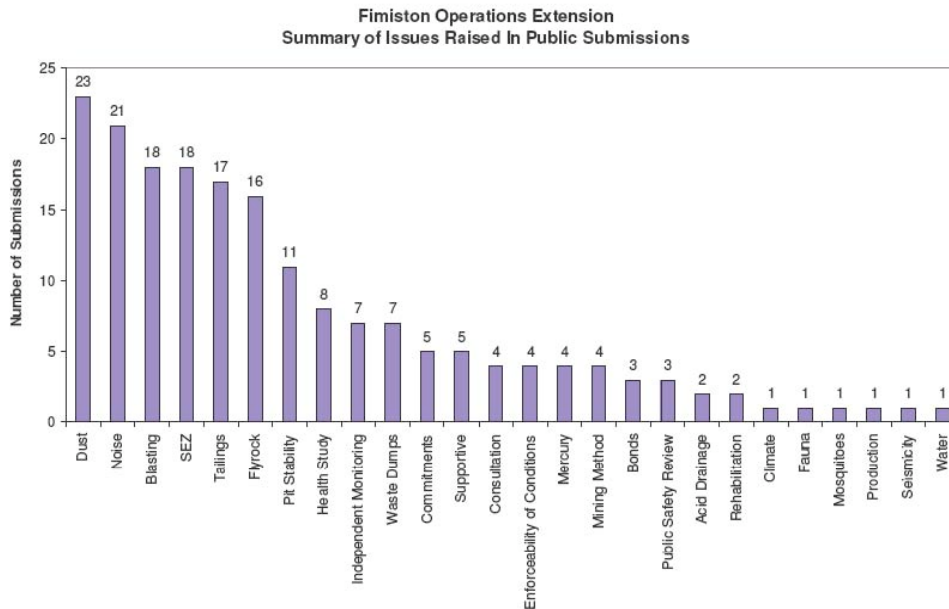
- Expand the pit on the western wall (the 'Golden Pike' Cutback)
- Construction of more waste rock dumps
- Lift the Fimiston I and Fimiston II Tailings Storage Facilities (TSFs) by 10 metres
- Re-commission a disused TSF (Kaltails) as a third TSF facility
- Realignment of the noise bund

The current lookout will also need to be moved as part of the extension project. Details on this plans and likely impacts are set out in Fimiston Gold Mine Operations Extension (Stage 3) and Mine Closure Planning for KCGM Pty Ltd PER by Environ.

Submissions on Fimiston Extension PER including the groundwater and closure concept plan raised a number of issues discussed elsewhere in this report including Dust (23 comments), Noise (21 comments), Blasting (18 comments), the Safety Exclusion Zone (18 comments), Tailings (17 comments), Flyrock (16 comments) and Pit Stability (11 comments). These are illustrated in the chart over.



**Figure 22: PER Submission Summary of Issues Raised.**



(source: KCGM 2006)

**Perceived Importance and Performance:**

KCGM was commended by all stakeholders, but particularly the government agencies, for taking steps to actively plan for the future and engage with stakeholders in a more comprehensive way. *Planning for the future* was seen as being important to local businesses (mean score 4.8/5), employees and contractors (mean score 4.24/5) and local residents (mean score 4.5/5).

KCGM appear to have been more effective in engaging local businesses in this planning than other stakeholders with performance mean scores of 4.0/5 for business, 3.3/5 for employees and contractors and 3.6/5 for residents. However almost a quarter of (21%) residents and (22%) local businesses did not know how to rate KCGM’s performance in this area indicating that further work maybe required to reach the broader community.

Indigenous respondents rated *planning for the future* with an importance mean score of 4.6/5 however the performance mean rating was only 2.8/10 with again a high proportion (21.1%) stating they did not know how to rate the company on this attribute. The consultation summary provided in the PER for the expansion indicates limited engagement with local Indigenous groups or agencies and this is reflected in this result.

**Opportunities for Improvement:**

- 32. There is an opportunity to build on the strong consultation platform created when the expansion plans were released to reach and inform the broader community on this issue and involved Indigenous stakeholders.



## 9.2 Closure

### Context:

Newmont's Closure Standards NEM-CER-S.036 provides closure criteria for all its operations. These include involvement of stakeholders, impact assessments of risks, consideration of post closure community use and cultural values and links to capacity building in all design/construction considerations; a need for operations planning to be informed by social impact assessments, and include appropriate budgets, timeline and resources, based on engagement, economic diversification and internal buy in and support.

In addition, it recommends the following plans to be in place: transition plan for local employees and businesses; safety net schemes for most vulnerable groups in communities; training for local suppliers; transition plan for disposal of all physical assets; transition plan for sustainability of all external relations community investment activities and programs; capacity building for organisational groups; transition plan for the continued protection of all sites with cultural, historical or religious significance; agreed criteria for measuring success; internal and external communications plans; contingency plans for other exit strategies eg sale of operations; clearly defined roles and responsibilities and monitoring programs.

These closure standards closely reflect the major findings of an assessment of five recent closure case studies by Q & A as part of this review. These assessments are attached as Appendix 2 and highlight some creative solutions for many of these areas.

Key areas for consideration highlighted by these case studies include:

- links to community history and heritage;
- management and responsibility for post closure risks; (including water and soil quality, structural security particularly pit walls, tailings and underground galleries, illegal mining and infrastructure vandalism);
- infrastructure re-use;
- employee programs;
- pit and site rehabilitation;
- site security and safety;
- monitoring of risk areas into the future;
- legal requirements ;
- funding for post closure activities;
- new economic focuses for the region; and
- community involvement.

The case studies however do also highlight that closure is a difficult and challenging process and while many of the case studies considered have found creative solutions, there are many challenges that have either been left to sort themselves out, been overlooked or a trial and error approach is being applied. For others, only time will demonstrate their relative levels of success.

Closer to home, the Super Pit is scheduled for mine closure at the end of 2017. The case studies have demonstrated that early engagement, community involvement in decision making and creative infrastructure solutions are crucial to closure success and these require considerable time lines.



**Actual Impact Considerations:**

Reliance on the mine and its role in community life also appears to be a large determinant of the success of closure programs. In Kalgoorlie, as we have demonstrated earlier only a relatively small proportion of the population (2.8%) rely on the super pit for employment however the indirect impact of operations, particularly for local business is considerably higher. In addition, the role that the Super Pit plays as “custodians of local gold mining history” should not be underestimated.

Relocation and the transient nature of the community have been highlighted as a perceived issue within the community, particularly during the current skills shortage and mining boom. Relocation and movement of the local workforce, particularly skilled professionals is likely to have an impact on the towns sustainability in the future. This review has shown, local Indigenous live in Kalgoorlie for primarily family, lifestyle or have simply always lived around here while for non Indigenous residents employment is the major driver for living in the region, followed by family and opportunities. Logic would therefore have it that without employment and opportunities, non-Indigenous residents may choose to relocate to regions that can provide these important drivers to them over remaining due to environmental or lifestyle factors.

Section 5.1 also points to annual perceived reliance figures at least \$126 million per annum of local business revenue and KCGM’s direct annual spend of currently around \$226 million per annum. Loss of this revenue is likely to have a significant affect on local businesses, and the presence of significant mining contractors. Creating future opportunities, heritage and infrastructure will need to be significant considerations in KCGM’s closure planning.

In late 2004 KCGM launched its vision for the future, which represented the beginning of the dialogue with the local community around closure. It included:

- future plans for loopline railroad including possibility of running the train along the top proportion of new proposed environmental noise buffer area, and
- broad consultation targeting residents, those most affected, and the CRG through newsletters, presentations, direct letter drops, via pit shop and creation of 3D images and models includes location of waste dumps, the loopline reserve and realigned noise bund and Golden Pike cutback mentioned above.

In terms of closure impacts, visual impacts (i.e. the large hole in the ground and pit walls remaining in place), job losses and reduced economic spend are inevitable.

Consideration is currently being given to the development of closure criteria, conceptual closure plan re the pits, waste dumps, infrastructure and headframes and redundancy budgets.

Considerable work has been done to initiate a tourism strategy and find relevant links to future economic development in this area, initiate early communication on closure plans and find creative solutions for the pit and associated infrastructure. Early 2007 saw the commissioning of the super pit studio in association with the University of Western Australia School of Architecture whereby young architectural students responded to a brief to design a sustainable closure solution. This project represented a move towards some of the creative infrastructure solutions that are noted in successful closure models and KCGM should be commended for this program.

Further work will be required into the future to fund and turn creative infrastructure ideas into reality, determine future risks, define legal entity responsibilities for post mine life, work through employee programs in more detail, detail future access and safety risks and find solutions to these, determine areas for ongoing monitoring (eg water, subsidence, pit wall stability) and who holds responsibility for this work into the future. Most importantly though work needs to be initiated by KCGM to bring together local government and other stakeholders to set a vision for the town, create local opportunities post closure and work to find funding sources for these initiatives as a community. The list of ideas for post closure listed below provide an interesting starting point to begin this work.

#### **Perceived Importance and Performance:**

Whilst the Indigenous community don't believe the closure of the Super Pit will impact on their lives at all, the non Indigenous community do express some concern over how this will be managed in the future; ranking the issue as very important (i.e 4.8/5 for local businesses, 4.5/5 for residents, 5/5 for government and 4.87/5 for employees and contractors).

So what does the community expect? Figure 23 over summarises the feedback received from all respondents on how they see Kalgoorlie-Boulder in the future. It is evident from this figure that many believe new discoveries will be made or new technologies developed, that will mean the super pit continues to operate well past 2017. For others, key themes were:

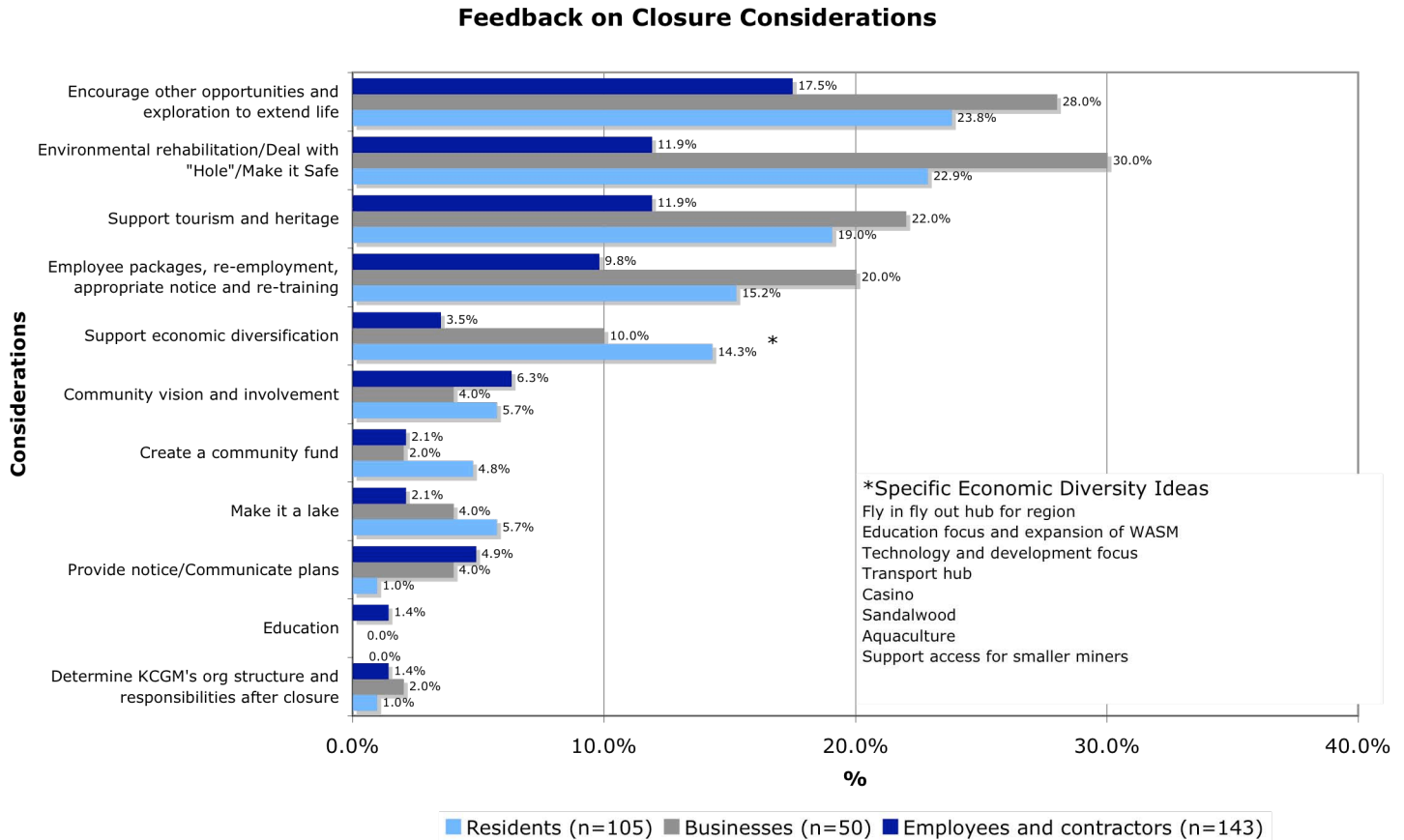
- effective and safe rehabilitation;
- employee programs to ensure they are looked after;
- creation of a tourism legacy;
- new economic drivers including R&D, transport, education and mining support; and
- a responsible entity that will manage risks into the future.

A community vision and involvement in this vision was also expected as part of the process. Most importantly, all groups felt it was important to activate the shire as part of this process.

Government stakeholders felt that the closure “*legacy will be in rehabilitation*” and that it was important to “*identify projects now and start to lobby local, state and federal governments now, involve governments so appropriate funding can be allocated well in advance.*”



**Figure 23: Closure Considerations**



**Opportunities for Improvement:**

33. Initiate the involvement of local, state and federal agencies, as well as the local community in creating a vision for Kalgoorlie-Boulder post mine closure, identify key projects and lay the foundations for sustainable funding of these projects into the future.
34. Determine areas that will require long term monitoring and clarify responsibility into the future.
35. Articulate the future of KCGM as a legal entity into the future given it is an operating company.
36. Continue to build and explore creative infrastructure solutions, tourism and support of other appropriate economic diversification initiatives.
37. Determine appropriate budgets for employee programs, infrastructure programs, community investment and rehabilitation programs in the lead up to closure.
38. Determine the future of the super pit shop following closure and its role in closure planning.

