

# KCGM NEWS & VIEWS

Issue 10 July 2010

OUR NEWS *Your Views*

## From the General Manager Russell Cole



Welcome to the tenth edition of KCGM's News and Views. In this edition we will be featuring the results of the latest Social Impact Assessment (SIA), undertaken by Coffey's in February 2010.

This is the third SIA conducted for KCGM, in order to measure how we are performing in the local community by gathering information from the people who matter the most – you!

By seeking out your thoughts and expectations, we are better equipped to manage any impacts from our operations and maximise opportunities to make a positive contribution. So this assessment provides us with a very important resource to assist in future planning.

What is pleasing to report is that overall, we have seen some significant improvements in our operational practises and community relationship since the last SIA's were conducted in 2004 and 2007.

Our early engagement in the Closure conversation has also been well regarded by the many stakeholders who have taken the opportunity to share with us their views for life after the Super Pit. We no doubt however, have further work to do to ensure that the community's expectations are taken into account in planning activities as we work towards this important milestone.

Notably this SIA has also identified a number of key challenges on the horizon which will require renewed efforts in engagement across all parts of the community, and we are confident that we can work together to achieve this.

The entire Social Impact Assessment is available on the KCGM website [www.superpit.com.au](http://www.superpit.com.au) and I would like to encourage everyone to take a look at the results because after all, they are your comments!

For now, I encourage you to read on and if you have any questions or feedback regarding the latest Assessment, feel free to contact the friendly KCGM Community Relations Department located at the Super Pit Shop in Boulder.

Russell Cole, General Manager, KCGM



**MORE INFORMATION**

### How do I give feedback to KCGM?

The Public Interaction line, Ph 9022 1100 is available 24 hours a day, seven days a week for all queries regarding our operations.

You can also drop into the Super Pit Shop at 2 Burt Street Boulder to talk with our Community Relations team.

## >> Social Impact Assessment inside this issue

As part of KCGM's ongoing commitment to measuring social performance, the third tri-annual Social Impact Assessment (SIA) was completed in February 2010. To date, this work has included a qualitative perception study in 2004, a Social Needs Assessment in 2005 and a quantitative perception study in 2007.

In this particular SIA, the work conducted by Coffey Environments (previously Q & A) looks at changes that have occurred within the community between each study period, considers our potential impacts on the people of Kalgoorlie-Boulder and measures our performance in managing these impacts over time.



## Where we've come from

Three years ago, the 2007 SIA pointed to a very positive relationship between KCGM and the local "community", particularly with businesses and residents. Challenges remained in managing relations with local Indigenous stakeholders and Williamstown residents, which are further addressed in this current study. In 2007 air emissions, local resident relationships, water management and revegetation/rehabilitation featured strongly in the results.

## How We Conducted the Study

The 2010 SIA was based on the same quantitative methodology used in the previous SIA, using Coffey Environment's PERIEX™ Process for Social Impact Assessments. The model provides a valuable insight into perception shifts over time by tracking changes in community attitudes and expectations between survey periods and quantifying the perceived importance and performance indicators across impact areas to develop priorities for the future.

## Who Did We Speak to?

The study relied on a large sampling cohort to enable statistically valid tracking and benchmarking of performance. It involved the participation of more than 332 stakeholders to ensure an appropriate distribution of gender and age profiles amongst respondents, as follows:

- 101 Local Residents
- 51 Local Businesses
- 21 Indigenous Representatives
- 99 Employees and Contractors
- 7 Government representatives
- KCGM's Community Reference Group
- 7 focus groups of up to 10 individuals focusing on Closure Visioning issues and planning

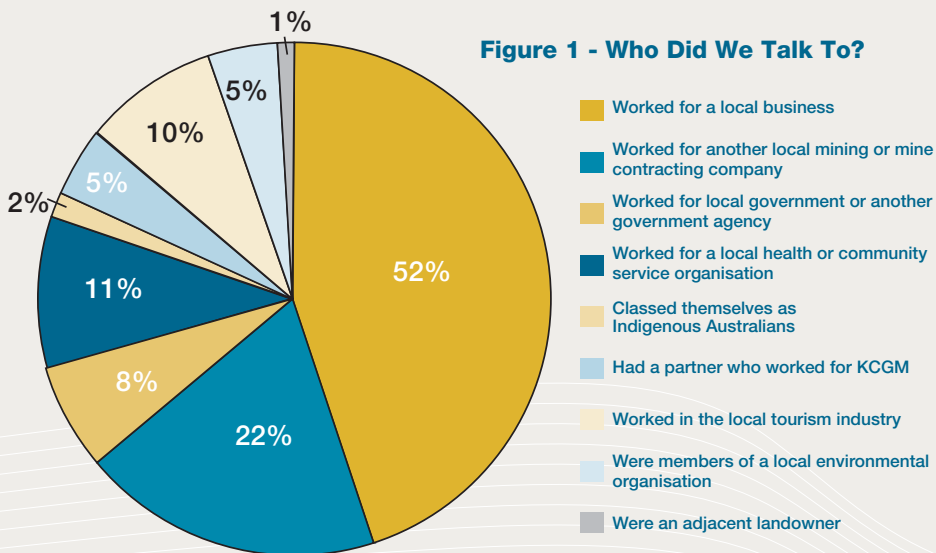


Figure 1 - Who Did We Talk To?

## What Had Changed Since 2007?

The study highlighted a number of key changes in the external environment and operational context since the last SIA, including:

- Development on the Fimiston Gold Mine Extension
- Construction work on the Environmental Noise Bund (ENB)
- New conditions from the Environment Minister in relation to noise and dust management
- Ongoing auditing from regulatory authorities
- Further Closure discussions with the Kalgoorlie-Boulder community



**"People are what make Kal great....There's a risk of losing this and we need things in place to hold people here."**

Closure Focus Group Participant



**"The results of the SIA 2010 clearly demonstrate the direct impact that improved communications have within a community in driving trust and overall performance"**

Coffey Environments Project Director  
Danicia Dutry



**“The study highlighted a number of areas for improvement that are common across the majority of stakeholder groups.”**

Coffey Environments Project Director  
Danicia Dutry



**“The integration of KCGM’s workforce into the community, its involvement and financial support to community events, groups and organisations is valued and appreciated by the local community**

SIA Report

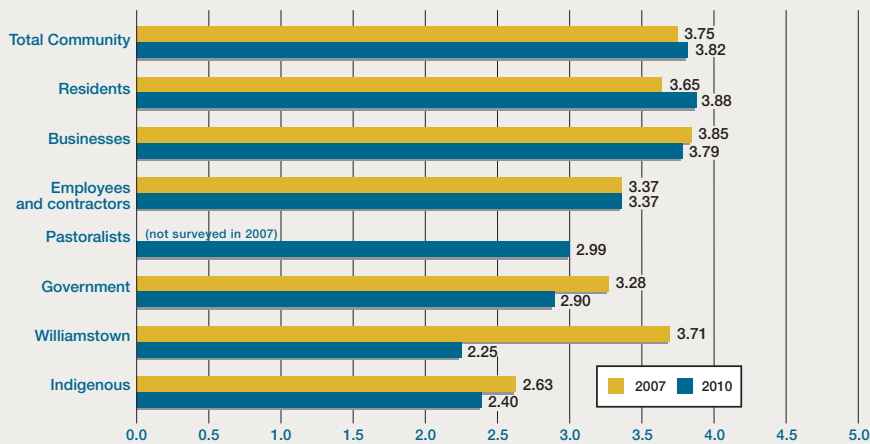


**Note:**

The PERIEX model used in this process reflects community sentiment during a snapshot in time therefore the findings can be influenced by major events. The magnitude 5.0 earthquake of 20 April 2010 is an example of this.

It could be expected that the earthquake caused a shift in community priorities, particularly in relation to vibration and community heritage issues. An analysis of these shifts is not possible in this SIA, as the perception survey was conducted from 31 January 2010 to 8 February 2010.

**Figure 2 - Overall Performance Score (Max Score of 5)**

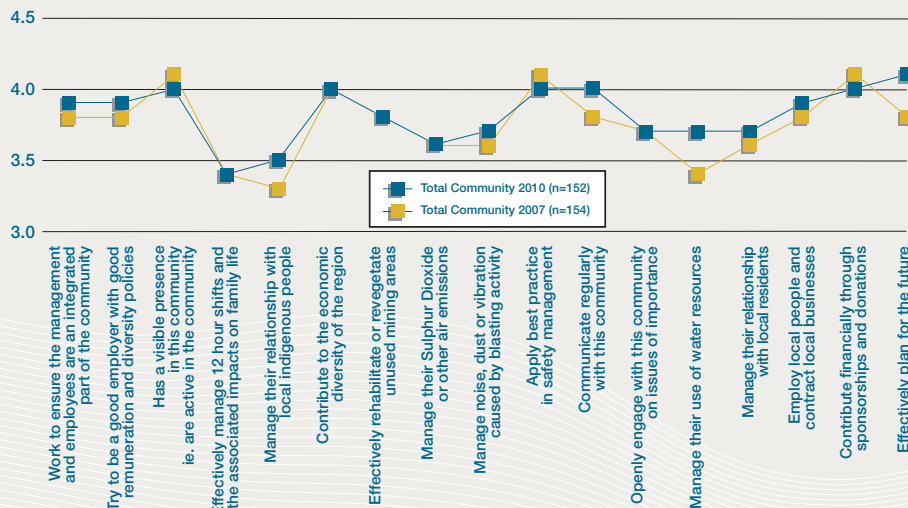


**What Did the Study Find?**

Overall KCGM continues to demonstrate strong performance in managing its social license to operate. It continues to rank highly in overall weighted performance when compared to its industry peers and has seen significant improvement in a number of important indicators since the last SIA in 2007.

- KCGM’s early engagement on closure, whilst likely contributing to some increase in concern among businesses about future opportunities, has had direct a impact in significantly improving overall performance by KCGM among local residents.
- Local Indigenous community members and the residents of Williamstown continue to be priority areas for future attention. These relatively “isolated” groups of residents are likely to feel the effects and uncertainty surrounding closure more than other groups within the community. Directed communication will be necessary over the next few years to find creative ways to engage this group in closure conversations.
- For the first time, this SIA included the views of neighbouring pastoralists and highlighted the crucial role that KCGM’s direct relationship manager has in maintaining connection with this group of stakeholders. Building relationships and ongoing communication were key drivers for overall performance within this small group of stakeholders.
- Visibility of the management team was raised across the board in the qualitative components of the study. This area will continue to need attention to ensure that stakeholders see and have access to KCGM’s leaders.
- The reduction in perceived importance for safety issues may warrant some direct communication, and the current program of safety communication will be an important tool in rebuilding internal and external awareness in this area.
- Finally this study highlights the complexities in closure planning going forward and provides a number of recommendations to take closure planning into the next stage over the next planning and implementation cycles.

**Figure 3 - Performance Mean Composition (Max Score of 5)**



When asked about their views on Closure, community sentiment was generally mixed and this diversity is reflected in the following comments:

**“Take mining out of the town and it will lose its heart.”**

Closure Focus Group Participant

**“It is an iconic tourist attraction and any post-closure should include tourism in its plan.”**

2010 SIA Participant

**“The worst-case scenario is that KCGM put a fence around the pit, the regulators tick the boxes and KCGM simply walks away after meeting EPA obligations.”**

Closure Focus Group Participant

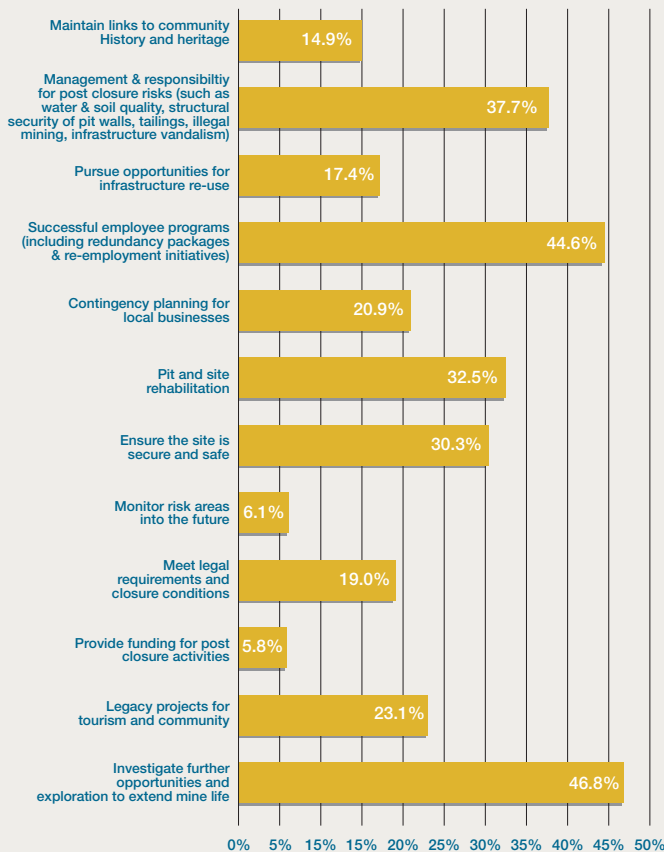
**“There is life after the Super Pit. Kalgoorlie is more than just a hole in the ground”**

Closure Focus Group Participant

### So What of Life After the Super Pit?

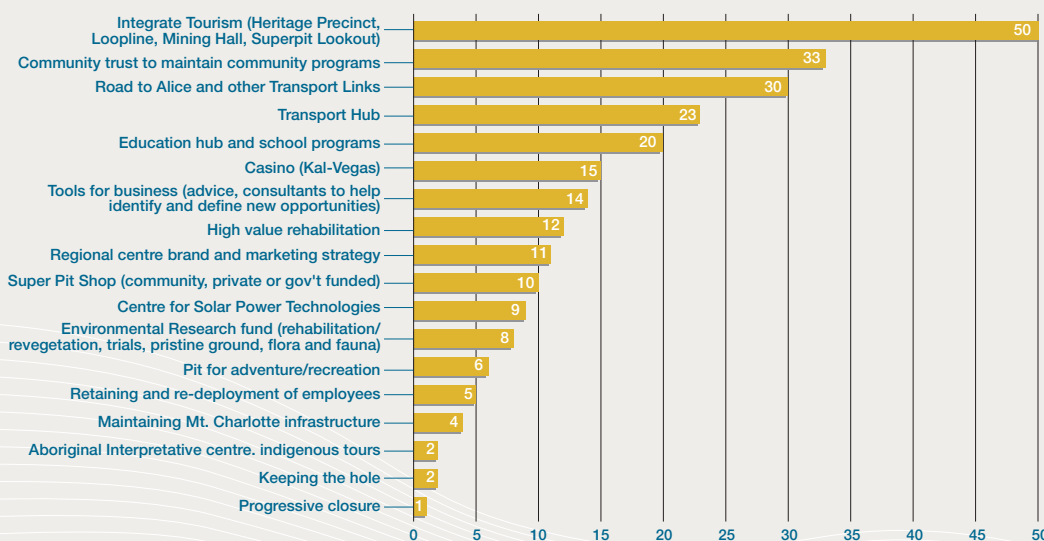
Following the initial closure consultation work already undertaken by KCGM, the 2010 study provided for a further assessment of community priorities around closure planning and provisioning. These discussions were robust and well considered.

Figure 4 - Perceived issues of importance for closure



A number of ideas were also presented by focus group representatives as ideas they would put their money on. A significant focus for KCGM in the future will be the need to take some of the ideas and translate them into tangible action.

Figure 5 - Closure programs workshop attendees would “Put their money on”



### Where to From Here?

In summary, the study considered in detail specific findings under several social impact areas and highlighted a number of opportunities for improvement. These recommendations will form the basis of community relations planning for the next 3-year cycle and be considered in KCGM's ongoing closure consultation.

Full copies of the 2004, 2007 and 2010 studies can be downloaded from [www.superpit.com.au](http://www.superpit.com.au)

### GOT AN ISSUE WITH KCGM? WANT TO GET IT ON THE AGENDA?

If you would like to discuss an issue you have with KCGM, you can contact one of our CRG members and have it discussed at a Community Reference Group Meeting.

- Anne Petz (08) 9093 3938
- Morrie Goodz (08) 9022 7725
- Kevin Smallhorn (08) 9021 2420
- Deborah Botica (08) 9021 8535
- Kathleen Bentley (08) 9022 7501
- Murray Joyce (08) 9021 4262
- Tony Stephenson (08) 9091 1199
- Max Bentley 0429 990 485
- Bill Robinson 0407 212 928
- Jim Watson (08) 9021 9810



If you have missed out on previous issues of News & Views and would like a copy, please contact our CR Office on 9093 3488 or visit the team at the Super Pit Shop, 2 Burt Street Boulder. It's also available online at [www.superpit.com.au](http://www.superpit.com.au)

### KALGOORLIE CONSOLIDATED GOLD MINES

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