



Kalgoorlie Consolidated

Gold Mines (KCGM)

Social Impact Assessment

Final Report Prepared for KCGM

Contents

Abbreviations and Definitions	5
Executive summary	1
1. Introduction	1
1.1 Background	1
1.2 Project Scope	2
1.3 Methodology	3
1.4 Assessment Criteria	7
1.5 Limitations	9
2. KCGM Operating Context	11
2.1 KCGM's operational footprint	11
2.2 Recent changes	14
2.3 Native Title	15
3. Social Baseline	16
3.1 Areas of study	16
3.2 Kalgoorlie-Boulder	17
3.3 Social trends	24
3.4 Local voices	26
4. Social Impacts	28
4.1 Prioritisation and discussion of the social impacts	28
Priority Impact 1: Support of local employment	31
Priority Impact 2: Environmental impacts reduce quality of life	36
Priority Impact 3: Uncertainty about future mining activities	40
Priority Impact 4: Insufficient support of Aboriginal employment and procurement	44
Priority Impact 5: Provision of local funding and grants	47
4.2 Applying the social baseline to the analysis of social impacts	51
4.3 Comparison with 2016 SIA results	52
5. Cross-cutting factors	55
5.1 Trust in KCGM	55

5.2 Cumulative impact considerations	59
5.3 Native Title Commitment	61
Appendices:	63
Appendix A – Project Methodology	63
Appendix B – Draft Social Impact Register	65

Inherent Limitations

This report has been prepared as outlined in the scope section of the SIA Scoping Brief (dated April 2020), which should be read in conjunction with Contract No.3144462 - Fimiston South Community Engagement Support (dated 05 August 2019). The services provided in connection with this engagement comprise an advisory engagement, which is not subject to assurance or other standards issued by the Australian Auditing and Assurance Standards Board and, consequently no opinions or conclusions intended to convey assurance have been expressed.

The findings in this report are based on a qualitative study and the reported results reflect a perception of KCGM but only to the extent of the sample surveyed.

Any projection to the wider KCGM management and stakeholders is subject to the level of bias in the method of sample selection.

No warranty of completeness, accuracy or reliability is given in relation to the statements and representations made by, and the information and documentation provided by, KCGM management, personnel and stakeholders consulted as part of the process.

KPMG have indicated within this report the sources of the information provided. We have not sought to independently verify those sources unless otherwise noted within the report.

KPMG is under no obligation in any circumstance to update this report, in either oral or written form, for events occurring after the report has been issued in final form.

The findings in this report have been formed on the above basis.

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This report is solely for the purpose set out in the SIA Scoping Brief (dated April 2020) which should be read in conjunction with Contract No.3144462 - Fimiston South Community Engagement Support (05 August 2019) and for KCGM's information, and is not to be used for any other purpose.

This report has been prepared at the request of KCGM in accordance with the terms of the SIA Scoping Brief (dated April 2020) which should be read in conjunction with Contract No.3144462 - Fimiston South Community Engagement Support (dated 05 August 2019). Other than our responsibility to KCGM, neither KPMG nor any member or employee of KPMG undertakes responsibility arising in any way from reliance placed by a third party on this report. Any reliance placed is that party's sole responsibility.

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Abbreviations and Definitions

Table 1. List of abbreviations and definitions

Term	Definition
Cumulative impacts	Cumulative impacts are the successive, incremental and combined impacts (both positive and negative) of activities on society, the economy and the environment. They can arise from a single activity, multiple activities or from interactions with other past, current and foreseeable future activities (see Box 1)
‘Near mine’	This study has separated out those areas of Kalgoorlie-Boulder that are immediately proximate to mining operations at the Fimiston Pit and underground operations at Mt Charlotte. The ‘near mine’ communities are shown in Figure 4.
NVivo™	NVivo™ is a qualitative social research tool developed by QSR International Pty Ltd. that enables the rapid analysis and generation of quantitative outputs from a large amount of qualitative data through a ‘tagging’ process that allows for significant issues to be identified, categorised and prioritised.
‘Rest of WA’	Western Australia excluding the area of Perth.
Social impacts	Social impacts are the consequences experienced by people as a result of the presence of, or changes to, projects (such as mines). Social impacts encompass ‘everything that affects people’ – whether that be their way of life, culture, community, political systems, their environment, health, rights, fears and aspirations (See Box 1) ¹
Acronym	Meaning
ABS	Australian Bureau of Statistics
AES	Aboriginal Engagement Strategy
CME	The Chamber of Minerals and Energy of Western Australia
CSIRO	Commonwealth Scientific and Industrial Research Organisation
EPA	Environment Protection Authority
FOP	Fimiston Open Pit
FIFO	Fly-in-fly-out
IAIA	International Association for Impact Assessment

¹ Vanclay et al. (2015) Social Impact Assessment: Guidance for assessing and managing the social impacts of projects. International Association for Impact Assessment.

ICMM	International Council on Mining and Metals
IFC	International Finance Corporation
JV	Joint Venture
KBCCI	Kalgoorlie-Boulder Chamber of Commerce and Industry
KCGM	Kalgoorlie Consolidated Gold Mines Pty Ltd
LGA	Local Government Area
LV	Local Voices Survey
SEIFA	Socio Economic Indexes for Areas
SIA	Social Impact Assessment
SIR	Social Impact Register
TO	Traditional Owner
UCL	Urban Centre and Locality

Executive summary

This Social Impact Assessment (SIA) has been carried out in order to provide an up-to-date review of the social impacts – both positive and negative – that result from Kalgoorlie Consolidated Gold Mines' (KCGM) operations. The assessment was carried out between March and July 2020 by KPMG Banarra, a specialist human rights and social impact advisory team. Due to the timing of the SIA, which coincided with the COVID-19 pandemic, fieldwork and stakeholder interviews which had previously been planned to take place in Kalgoorlie-Boulder, had to be carried out remotely.

In the time since KCGM's last SIA (which was published in 2016, based on fieldwork carried out in 2015), the city of Kalgoorlie-Boulder has undergone significant demographic change. The population of Kalgoorlie-Boulder has decreased by 12.9% since 2013, and the labour force has decreased by an even greater amount – 24.1%. These changes are significant and have created a degree of anxiety around the future of the city as a whole. The steep reduction in the city's labour force has meant that the issue of the use of Fly-In-Fly-Out labour at some Goldfields mine sites has – once again – become a particularly vexed issue for the community.

Amidst that backdrop, the fractious relationship in the city with the Aboriginal community became a nationwide focus following the tragic death of Elijah Doughty in 2016, and subsequent clashes and protests. Stakeholders interviewed for this report noted that some of those tensions continue to exist, and these tensions continue at a time in which there is renewed scrutiny on the wider mining sector's relationship with Traditional Owners and Aboriginal heritage.

The impact of KCGM's presence and operations on the community has, during the period since 2016, been influenced by four broad factors:

- A significant slip in the Fimiston Open Pit in May 2018 led to a major cut in production, as well as a small number of redundancies. This in turn created an element of uncertainty around KCGM's future prosperity.
- A continuation of complaints about the impact of noise, dust and vibration from mining operations, with the majority of those complaints related to vibration from blasting at the Mt Charlotte underground mine. These complaints are indicators not only of a reduction in amenity, but in some cases a concern and perception that the company may be causing damage to residential property.
- The change of ownership of KCGM – from Newmont and Barrick, to Saracen and Northern Star at the end of 2019 – was broadly received positively by the community. However, the change in ownership has led to some uncertainty relating to what KCGM's commitments to residential employment and procurement will be into the future.
- Finally, as the company's Life of Mine (LOM) has reduced, there has been some nervousness felt in the community about the future viability of the mine as a whole.

The 12 main social impacts identified are summarised in Table 2, provided at the conclusion of the Executive Summary. The principal positive impacts relate to the support of a strong residential work force; the provision of funding and grants for local community groups and tourism infrastructure; and support of local suppliers of goods and services.

The principal negative impacts relate to two main clusters. The first one is the impact of noise, dust and vibration from blasting on residents who live near mining operations. The second is a group of perception based impacts which tie back to the general uncertainty surrounding KCGM's future planning around mine development and community commitments. That

uncertainty is significant in Kalgoorlie-Boulder, as some in the community associate the health and longevity of the mine with the health and longevity of the city as a whole.

That second cluster of negative impacts has the potential to be significantly mitigated if the company is able to clearly communicate its future plans and to demonstrate an increase in the Life of Mine. Because of that, the proposed Fimiston South project has – on balance – the potential to increase already positive impacts, as well as to partly address some negative impacts. A significant increase in KCGM's Life of Mine would create an opportunity for the company, its employees and the community at large to plan and act more strategically, and to make long-term social and economic investments in the community.

This overall positive assessment of the potential impact of the Fimiston South project, however, should not detract from the fact that the project will bring mining operations slightly closer to the residents of Boulder. This has the potential to increase some social impacts – particularly during the period in which the project is being constructed.

It should also be noted that while the majority of this SIA has been informed by interviews with stakeholders in Kalgoorlie-Boulder, the impact assessment of the Fimiston South project has been a desktop exercise only – i.e. it is based on a review of documents – and has not yet been supported through stakeholder interviews that would confirm potential impacts, or identify new impacts. As a result, it is recommended that this SIA should be updated following the public announcement of the Fimiston South project.

Finally, this SIA looks at several cross-cutting issues that affect a number of different social impacts. Amongst all of those, the issue of levels of community trust in KCGM is particularly important. Trust is the factor that determines whether an organisation's stakeholders will allow it to adequately address an issue. In the absence of trust, even well-designed, well-funded and well-meaning attempts at mitigating negative impacts or enhancing opportunities, can be dismissed. Correspondingly, where there is a strong level of trust between an organisation and stakeholders, that relationship can create the necessary social licence required to develop solutions that work for both the company and its stakeholders. Trust is the space that is created when stakeholders are willing to give an organisation the benefit of the doubt when something changes.

Despite the numerous challenges identified above, this SIA finds that there is a high level of community trust in KCGM. This is particularly valuable in light of the proposed Fimiston South project because it means that if unintended environmental or social impacts emerge during the construction and operation of the project, it will be possible for the company to work with the community to find solutions to those impacts. It also makes it easier for the company to maximise the opportunities for a more strategic approach to social and economic development that would come with an increase Life of Mine – though those opportunities have to be identified and taken.

Table 2. Summary of Social Impacts

Social Impact	Social Impact Description
1. Support of local employment (Positive)	KCGM provides substantial local employment opportunities, which has a positive flow on effect for the community and local economy.
2. Environmental impacts reduce quality of life (Negative)	The effects of blasting vibration, noise and dust associated with mining activities, leads to anxiety and/or reduces amenity and thus quality of life for near mine residents.
3. Uncertainty about future mining activities (Negative)	Change in company ownership, in combination with limited communication, visibility and transparency from KCGM, has led to increased levels of local uncertainty regarding KCGM's plans for the future, and thus future of the community.
4. Insufficient support of Aboriginal employment and procurement (Negative)	The low level of Aboriginal employment and procurement from local Aboriginal businesses by KCGM, fails to support livelihoods.
5. Provision of local funding and grants (Positive)	KCGM supports local organisations and community infrastructure through funding and grants.
6. Native Title commitment and relationships (Neutral)	KCGM's long-term relationship with Native Title claimants and groups is critical. While the current impacts that result from this relationship are modest, there is potential for significant positive impacts, or for significant negative impacts if this is not focused on now.
7. Fear of increasing FIFO Employment (Negative)	Fear that KCGM will increase its use of FIFO labour, leading to reduced residential employment and support to public services and local businesses.
8. Perceptions that blasting contributes to property damage (Negative)	Anxiety associated with fears that vibration caused by blasting contributes to property damage and reduces property values for near mine residents.
9. Support for tourism infrastructure (Neutral)	KCGM supports local tourism infrastructure such as the Hannan's North Tourist Mine and the Super Pit Lookout. The positive impacts of this support are reduced by uncertainty about KCGM's long-term commitment to this infrastructure.
10. Indirect contribution to social issues (Negative)	Factors such as rostering and mining culture contribute to social issues associated with crime, drugs and alcohol abuse. It should be noted that this is a cumulative impact – i.e. it is the result of the mining industry as a whole in Kalgoorlie-Boulder; it is not an impact that is created by or specific to KCGM.
11. Lack of transparency around KCGM commitments (Negative)	Due to the recent change in ownership, current KCGM standards and procedures are in the process of being revised and updated. This process of potentially moving away from existing policies has caused some uncertainty with stakeholders surrounding local employment, social and community commitments.
12. Support to local industry (Positive)	KCGM supports local industry through its procurement of goods and services, which in turn supports local employment and the local economy.

1. Introduction

1.1 Background

Social Impact Assessments (SIA) support companies to identify, prioritise and manage the positive and negative social impacts that their operations have on the community and key stakeholders, particularly vulnerable stakeholders.² This SIA report, and associated Social Impact Register (see Appendix B for recommendation considerations for Kalgoorlie Consolidated Gold Mines Pty Ltd (KCGM)), presents the key findings of the SIA conducted by KPMG between April 2020 and July 2020 to assess the social impacts experienced by members of the Kalgoorlie-Boulder community due to the presence of KCGM. The SIA and SIR considers KCGM's mining operations; approach to employment, procurement and community investment; decision-making and communication processes, and recent change in ownership.

KCGM operates significant gold mining assets, including the Fimiston Open Pit (Super Pit) and Mt Charlotte Underground Mine, located within close proximity to the city of Kalgoorlie-Boulder, Western Australia. It has recently changed ownership, from a 50:50 joint venture of Barrick Gold of Australia Ltd (Barrick) and Newmont Goldcorp Australia (Newmont), with Saracen Mineral Holdings (Saracen) acquiring Barrick's interest and Northern Star Resources acquiring Newmont's interest between November 2019 and January 2020.

Prior to the change in ownership, the day to day operation of KCGM was based on Newmont's standards, which required the site to conduct a Social Impact Assessment (SIA) every five years (KCGM Community Standard: CS07 Social Baseline and Impact Assessment). The previous SIA was thus published in 2016, based on research carried out in 2015. The 2020 SIA updates key social baseline insights and highlights new and ongoing positive and negative social impacts, drawing on qualitative and quantitative data collected over a two year period.

The 2020 SIA process was designed and conducted to support KCGM to:

- Understand how its operations impact on the surrounding community of Kalgoorlie-Boulder – taking into account social impacts as well as cumulative and human rights impacts, where identified;
- Develop and prioritise strategies to work with stakeholders within the community, with a focus on vulnerable stakeholders;
- Understand any social risks (i.e. risks to KCGM) that might influence KCGM's future mine planning and the conduct of its operations; and
- Develop management strategies to support KCGM to enhance and support the positive social impacts of its presence and avoid, mitigate or manage negative social impacts.

The COVID-19 pandemic and the subsequent restrictions in place influenced the approach to conducting the 2020 SIA. These restrictions meant that all stakeholder engagement was dependent upon participants' access to technology and preferences and conducted via phone or video calls, instead of via face-to-face engagement. In some cases, COVID-19 was also found to have influenced participants' recent experiences of KCGM. These perceptions are discussed in the report where relevant.

² Vanclay et al., Social Impact Assessment: Guidance for assessing and managing the social impacts of projects. International Association for Impact Assessment. April 2015

A desktop approach to conducting an SIA is a well-tested methodology and is recognised in International Finance Corporation (IFC)³ and International Council on Mining and Metals (ICMM) guidance for conducting impact assessments. In addition, the International Association for Impact Assessment (IAIA) encourages the continuation of impact assessment, including SIA, in part to support decision making and 'assess inequalities, human rights, and those who are most vulnerable'.⁴ The IAIA recognises that there will be an 'increased use of remote work'.⁵

Further to this, KPMG worked with KCGM's External Relations team to:

- Engage, where possible, with stakeholders through the use of technology enabled platforms and systems;
- Ensure that technology did not become a barrier to engaging with vulnerable stakeholders; and
- Leverage existing KCGM relationships and completed social studies previously carried out across the Kalgoorlie-Boulder area.

1.2 Project Scope

The 2020 SIA considered the social impacts (defined in Box 1) experienced by members of the Kalgoorlie-Boulder community, focusing on the following five elements (outlined in further detail in Section 1.4 Methodology):

1. **Scoping:** Identification of the potential social impact areas and stakeholders to be considered through the SIA, and review of stakeholder mapping;
2. **Baseline inclusion:** Review of existing data and documentation that provides socio-economic baseline information describing local social conditions and demographic trends identification, collection and analysis of additional data and documentation where gaps are identified;
3. **Stakeholder engagement:** Consultation via phone and video calls with key stakeholders from across the Kalgoorlie-Boulder community, selected based on KCGM's existing relationships, stakeholder mapping and community engagement planning tools; and analysis of this data as well as previously collected and analysed data, where relevant;
4. **Impact assessment:** Identification and prioritisation of the current and potential social impacts (including cumulative impacts) associated with KCGM's operations;
5. **Impact mitigation and management:** Identification of social impact management strategies to avoid, mitigate and manage the negative, and support and enhance the positive social impacts prioritised through the SIA process (see Appendix B. recommendation considerations for KCGM).

This 2020 SIA Report has been developed as an independent report, guided by KPMG Australia's protocols on the preparation of independent reports. These guidelines have been developed to ensure that we maintain our independence in the preparation of reports that will be used to inform regulatory decision-making. The guidelines require us to proactively work to ensure that we maintain our independence in our choice of methodology and approach, and to ensure that our findings, recommendations or opinions are only amended to correct factual inaccuracies.

The SIR, however, is designed to support KCGM's ongoing management and monitoring of social impacts, as is thus to be considered a working document owned by KCGM.

³International Finance Corporation Guidance Notes, available at: https://www.ifc.org/wps/wcm/connect/9fc3aaef-14c3-4489-acf1-a1c43d7f86ec/GN_English_2012_Full-Documents_updated_June-27_2019.pdf?MOD=AJPERES&CVID=mRQmrEJ

⁴ Bancroft, B. (2020). Eliminating Impact Assessment is Irresponsible. IAIA Blog Post. <https://www.iaia.org/news-details.php?ID=122>

⁵ IAIA (2020) The Impact of COVID-19 on Impact Assessment: An Initial Rapid Review. https://www.iaia.org/uploads/pdf/COVID%20SURVEY_Section%201_1.pdf?_zs=VaC3b&_zl=pH7B2

Defining social and cumulative impacts

Social impacts are the consequences experienced by people as a result of the presence of, or changes to, projects (such as mines). Social impacts encompass 'everything that affects people' – whether that be their way of life, culture, community, political systems, their environment, health, rights, fears and aspirations. In addition:

- Social impacts take many forms, for example, they may be positive or negative, direct or indirect, tangible or intangible.
- Social impacts may be experienced physically or relate to people's fears and/or aspirations ('psycho-social'), and they can change over time and be experienced in different ways by different people or communities.
- In some cases social impacts can be easy to quantify, while in other cases the impact may be partly quantifiable through the use of proxies, or unquantifiable and thus best described and assessed qualitatively.⁶

Cumulative impacts are the successive, incremental and combined impacts (both positive and negative) of activities on society, the economy and the environment. They can arise from a single activity, multiple activities or from interactions with other past, current and foreseeable future activities.⁷

Box 1. Definitions of social and cumulative impacts


1.3 Methodology

The remote-based SIA methodology included the four stages as shown in Figure 1 and detailed in Table 3 and Appendix A.



Figure 1. Overview of remote SIA methodology

Table 3. Description of key inputs for Stages 2 to 4 of the remote SIA methodology

Stage 2. Review of Social Baseline data and document analysis 	<p>Drawing on international best practice, our previous research and key data and documents (see Section 1.3.1); the KPMG SIA team developed a social baseline for the Kalgoorlie-Boulder region.</p> <p>Using qualitative data analysis software, NVivo™, we reviewed and coded internal KCGM documents, media articles and previous work conducted by KPMG.</p>
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⁶ Vanclay et al. (2015) Social Impact Assessment: Guidance for assessing and managing the social impacts of projects. International Association for Impact Assessment.

⁷ Franks, D. M., et al. (2010). Cumulative Impacts: a good practice guide for the Australian coal mining industry. Centre for Social Responsibility in Mining & Centre for Water in the Minerals Industry, Sustainable Minerals Institute, The University of Queensland. Australian Coal Association Research Program. Brisbane, p. 10.

Stage 3. Stakeholder Engagement



The KPMG Banarra SIA team conducted remote semi-structured interviews with 14 participants and three digital participatory workshop discussions with five community representatives (see Section 1.3.2). Participants were briefed on the purpose of the interview and ethical considerations.

Participants were asked a series of questions about

- Their relationship to KCGM;
- The current issues and impacts;
- Trust;
- Changes witnessed over the last 5 years; and
- Aspirations around the future of the mine.

Participants were also asked to reflect on

- What they see as being the social impacts (both positive and negative) of KCGM's current and potential future activities on the community – these could relate to social, economic, environmental or other factors;
- How well the company is doing at addressing negative impacts and enhancing positive impacts;
- Any opportunities for the company to improve its relationship or communication with the community and other stakeholders; and
- The effectiveness of KCGM's community programs and investments.

Stage 4. Impact Validation and Reporting



The KPMG Banarra SIA team analysed the existing central NVivo™ database, identifying trending themes and issue areas across the coded data.

These issue areas were assessed through tested social assessment criteria.

We prepared a Social Impact Assessment Report (this report) and a draft Social Impact Register (see Appendix B for recommendation considerations.)

1.3.1 Desktop Research

The following data inputs were used to inform the desktop study for the 2020 SIA (Table 4). Over 135 data sources were uploaded and analysed through the NVivo™ qualitative social research tool.

Table 4. Summary of information sources

Information source	Number of documents	Examples of information/documentation
Stakeholder Engagement	23	<ul style="list-style-type: none"> • Semi-structured interview transcripts • Participatory workshop transcripts • Prioritisation workshop notes
Demographic and quantitative data	4	<ul style="list-style-type: none"> • Local Voices Survey data (results) • ABS 2016 and other demographic data • Results from quantitative interview questions
Documents and qualitative data:	14	<ul style="list-style-type: none"> • KCGM Community Complaints • KCGM Complaints Register (2019 & 2020) • KCGM Property Inspection Reports
• Media articles	16	<ul style="list-style-type: none"> • KCGM Media Register (2019 & 2020) • KPMG Media Search database including key media releases on KCGM (2019 & 2020)
• KCGM Community Engagement for 2019-2020	4	<ul style="list-style-type: none"> • KCGM External Announcements & Stakeholder Presentations • Community Reference Group Minutes
• Previous KPMG Deliverables	6	<ul style="list-style-type: none"> • Final deliverables and summary presentations (2018-2020)
• KCGM Social and Environmental Impact Assessment and Monitoring	17	<ul style="list-style-type: none"> • Social Impact Assessment 2016 • 2018 Annual Compliance audit • Economic Study and Projections on Kalgoorlie-Boulder Growth Plan • KCGM Annual Noise Monitoring Report 2018 • KCGM Fimiston Air Quality Management Plan
• WA Regulations and Guidance and Industry Reports	3	<ul style="list-style-type: none"> • EPA Guideline – Social Surroundings • Goldfields CME Survey Instrument 2019 • CME Perth Community attitudes toward mining
• KCGM (Newmont) Standards and Guidelines	22	<ul style="list-style-type: none"> • Community Investment and Development Guide • Cultural Resource Management Standard • Local Procurement and Employment Standard • Stakeholder Relationship Management Standard
• Select historic KCGM social data from 2015-2018	25	<ul style="list-style-type: none"> • Previous KCGM complaints registers • Previous community engagement data • Historic media releases

1.3.2 Stakeholder Engagement

Stakeholder engagement formed a key element of the data collection. The stakeholder groups and number of stakeholders who were consulted are summarised in Table 5.

Table 5. Summary of stakeholder groups engaged

Stakeholder Group	Consultation Method	No. of Stakeholders Consulted
Workforce Persons employed directly by KCGM	<ul style="list-style-type: none"> Semi-structured interviews via phone Digital Participatory Workshop 	1 3
Community Local residents of Kalgoorlie-Boulder and the immediate surrounding areas as well as local community organisations.	<ul style="list-style-type: none"> Semi-structured interviews via phone 	8
Industry Key local community representatives from industry groups (E.g. Education and Health Care Sector)	<ul style="list-style-type: none"> Semi-structured interviews via phone Digital Participatory Workshop 	2 3
Local Business Businesses operating within the local area, such as the hotel neighbouring the mine and any small, medium or large businesses in the Kalgoorlie-Boulder area that hold a commercial contract to supply goods, services or specialised labour to KCGM.	<ul style="list-style-type: none"> Semi-structured interviews via phone Digital Participatory Workshop 	1 2
Local Government Local Government representatives	<ul style="list-style-type: none"> Semi-structured interviews via phone 	2
Total		22

1.4 Assessment Criteria

The KPMG Banarra SIA team assessed each social impact based on the following five criteria:

1. The type of impact;
2. The level of concern or community interest expressed by stakeholders related to the social impact;
3. The extent to which KCGM's actions and decisions influence stakeholders' experience of the impact;
4. The extent to which the impact influences stakeholder's quality of life, livelihood or wellbeing; and
5. Whether vulnerable stakeholders experience the social impact.

The process of rating each criteria, except the type of impact, involved assigning a numerical value of between 1 (e.g. low) and 3 (e.g. high) to each criteria per impact. The values of each criteria were then totalled to calculate an overall rating per social impact, and this total score then informed the prioritisation of impacts as depicted in the impacts register (Appendix B).

Additionally, each impact was defined as being positive, negative or neutral. This assessment did not contribute to the prioritisation of the social impacts.

The definitions underlying the KPMG Banarra SIA team's assessment criteria are provided in Tables 6 to 10, outlined below.

1.4.1 Criteria definitions




'Type of Impact' refers to whether the impact is a direct or indirect result of KCGM's actions (Table 6).

Table 6. Criteria: Type of Impact

Type of Impact	Definition
Direct	KCGM's activities are the <i>predominant cause</i> of this social impact.
Indirect	KCGM's activities are an <i>indirect causal factor</i> to this social impact.




'Stakeholder Interest' refers to the level of concern or community interest expressed by stakeholders related to the social impact (Table 7).

Table 7. Criteria: Stakeholder Interest

Criteria: Stakeholder Interest	Definition
Low Level - 1	 Low level of stakeholder interest. A small number of stakeholders expressed interest or concern related to this social impact.
Moderate Level - 2	 Moderate level of stakeholder interest. A range of stakeholders expressed interest or concern related to this social impact.
High Level - 3	 High level of stakeholder interest. The majority of interview participants expressed interest or concern related to this social impact.


'Relevance' refers extent to which KCGM's actions and decisions influence stakeholders' experience of the impact (Table 8).

Table 8. Criteria: Relevance

Criteria: Relevance		Definition
Marginal Effect - 1		KCGM's decisions and actions have a marginal influence on stakeholders' experience of the impact.
Noticeable Effect - 2		KCGM's decisions and actions have a noticeable influence on stakeholders' experience of the impact.
Significant Effect - 3		KCGM's decisions and actions have a significant influence on stakeholders' experience of the impact.




'Magnitude' refers to the extent to which the impact influences stakeholder's quality of life, livelihood or wellbeing (Table 9).

Table 9. Criteria: Magnitude

Criteria: Magnitude		Definition
Marginal Change - 1		Stakeholders experience of the impact has a marginal impact on stakeholder's quality of life, livelihood or wellbeing
Noticeable Change - 2		Stakeholders experience of the impact has a noticeable impact on stakeholder's quality of life, livelihood or wellbeing
Significant Change - 3		Stakeholders experience of the impact has a significant impact on stakeholder's quality of life, livelihood or wellbeing

'Vulnerable Stakeholder' asks the question, do vulnerable stakeholders experience the social impact? (Table 10). Stakeholder vulnerability is a core consideration in social impact research, used to denote 'a situation or condition characterised by low resilience and/or higher risk and reduced ability of an individual, group or community to cope with shock or negative impacts'.⁸

Table 10. Criteria: Vulnerable Stakeholder

Criteria: Vulnerable Stakeholder		Definition
Low - 1		Not experienced by vulnerable stakeholders.
Medium - 2		Experienced by a small number of vulnerable stakeholders.
High - 3		Experienced by several groups of vulnerable stakeholders.

⁸ Vanclay et al., Social Impact Assessment: Guidance for assessing and managing the social impacts of projects. International Association for Impact Assessment. April 2015

1.5 Limitations

The remote based SIA methodology was subject to the following limitations:

- The KPMG Banarra SIA team was unable to visit Kalgoorlie-Boulder to undertake stakeholder engagement in person due to COVID-19 restrictions in place in WA and NSW. The project team had visited the mine site regularly between 2018 and early-2020.
 - Several interview participants felt that the timing of this assessment was not ideal due to the COVID-19 restrictions that have recently been in place. Some participants felt, for example, that they had not been in contact with friends and contacts as regularly and therefore their knowledge about the community was not current. Issues involving KCGM that they otherwise would have shared were unknown. It is important to note, however, that the early scoping of this SIA was carried out in mid-2019, before the emergence of COVID-19 – i.e. the timing of the fieldwork and the switch to a remote methodology was a reaction to the pandemic, and not caused by it.
- The KPMG Banarra SIA team has provided previous community engagement advice for KCGM in the two years preceding the SIA. Having a clear understanding of KCGM's operations and the community in which they operate is an advantage in terms of carrying out a remote SIA. It is, however, a factor that needs to be kept under constant review so as to ensure that the approach taken during advisory work (in which KPMG is engaged to help improve client performance), does not unduly influence the impact assessment – which needs to be carried out with an independent frame of mind. For this reason this report has been reviewed by two KPMG partners, including one from outside of the KPMG Banarra SIA team.
- The KPMG Banarra SIA team did not assess social impacts beyond the Kalgoorlie-Boulder urban area, with the exception of impacts related to Traditional Owners. State or nationwide impacts were not assessed, for example:
 - Procurement opportunities experienced by businesses outside of Kalgoorlie-Boulder;
 - Employment opportunities experienced by FIFO employees and contractors who reside outside of Kalgoorlie-Boulder; or
 - Royalties and taxes that are paid to the West Australian and Australian governments
- KPMG Banarra SIA team reviewed demographic data, local voices data, media articles and complaints records in order to identify the range of stakeholders to interview for the SIA. KCGM then supported the KPMG Banarra SIA team to identify and invite stakeholders to participate in an interview or workshop as part of the SIA. The stakeholders involved in the SIA were thus a reflection of the KCGM External Relations team's contacts in the Kalgoorlie-Boulder region, although additional participants were invited based on suggestions given to the KPMG Banarra SIA team during the stakeholder engagement process. In addition, KCGM sent out invitations and made all introductions to stakeholders invited to participate in the SIA, and also assisted in scheduling phone interviews and workshops.
- Interviews and workshops were conducted by members of the KPMG Banarra SIA team only without any KCGM staff being present, except when the interviews were of company staff. All interviewees were assured that their responses would be confidential and not attributed to them.
- The number of interviews and workshops conducted was capped, based on the agreed budgeted number of interviews and workshops, as well as stakeholder availability. The number of stakeholders available to participate in workshops was lower than planned for, however, the total number of stakeholders involved was deemed to provide a sufficient cross-section of the community, given the ability to supplement stakeholder engagement with other sources.
- Following the completion of the SIA for current KCGM operations, KPMG were asked to also provide a desktop assessment of the proposed "Fimiston South" extension to mining operations in the open pit. This assessment can be found at Chapter 5. It should be noted that the assessment is based on a review of documents and the KPMG SIA team has not been able to engage directly with potentially affected stakeholders to validate the desktop results or identify any new potential impacts. This assessment has also not been able to review studies that might show whether environmental and

infrastructure impacts of the new project are likely to be substantially different from current operations. Because of those two limitations KCGM have, however, committed to commissioning an independent addendum to this SIA that will allow a review of impact studies, further research and stakeholder interviews specifically related to Fimiston South, once the project has been publicly announced.

2. KCGM Operating Context

2.1 KCGM's operational footprint

KCGM is located approximately 600km East of Perth, Western Australia. The entirety of KCGM's operations are situated adjacent to the city of Kalgoorlie-Boulder. Figure 2 provides a spatial overview of the communities directly surrounding the mine. These are Kalgoorlie, South Kalgoorlie, Boulder and Williamstown. The definition and characteristics of these 'near mine' communities is discussed in greater detail in Chapter 3.



Figure 2. Google Earth image of Kalgoorlie-Boulder and KCGM (2020)

KCGM has been operating at this location in Kalgoorlie-Boulder for the last thirty years. The life of mine for KCGM's gold processing is 2034, Mt Charlotte underground life will finish in 2024 and Fimiston Open Pit life of mine is estimated to come to an end in 2026⁹. The main operational areas of KCGM's operations consist of:

- **The Fimiston Open Pit** – 'the Super Pit' – where the majority of the company's mining operations take place.

⁹ http://www.superpit.com.au/wp-content/uploads/2020/02/201219-SER_ENV_REP2495_KCGM-Mine-Closure-Plan-2018-Resubmission.pdf

- **The Mount Charlotte underground mine** which sits northwest of the Fimiston Open pit. Surface facilities for the mine sit between the Goldfields Highways and the suburb of Williamstown. Parts of the mine itself run under Williamstown at depth.
- **Various waste rock dumps and tailings storage facilities** that have been constructed to the east of the Fimiston Pit.
- **Minerals process facilities** adjacent to the Fimiston Pit, as well as at the Gidji processing plant 20km north of Kalgoorlie-Boulder.
- **Surface facilities, workshops, maintenance and administration areas** immediately adjacent to the Fimiston Pit, as well as a conveyor belt that runs from Mt Charlotte to the Fimiston Processing Plant.

Figure 2 shows KCGM's mine operations within the city of Kalgoorlie-Boulder, while Figure 3 shows the location of Kalgoorlie-Boulder, Gidji, as well as KCGM exploration tenements.

KCGM is a residential mine site with a workforce consisting of a mixture of employees and 'business partners' (contractors). As of 30 June 2020 there were 819 KCGM employees, a majority of whom are resident in Kalgoorlie-Boulder. All KCGM employee positions are advertised as residential positions. There are an additional 274 contractors, and the majority of those contractors are also resident in Kalgoorlie-Boulder, though the precise residential status of these contractors is not tracked, and nor is it a requirement of KCGM that contractors be (as employees are) resident in the city rather than FIFO.

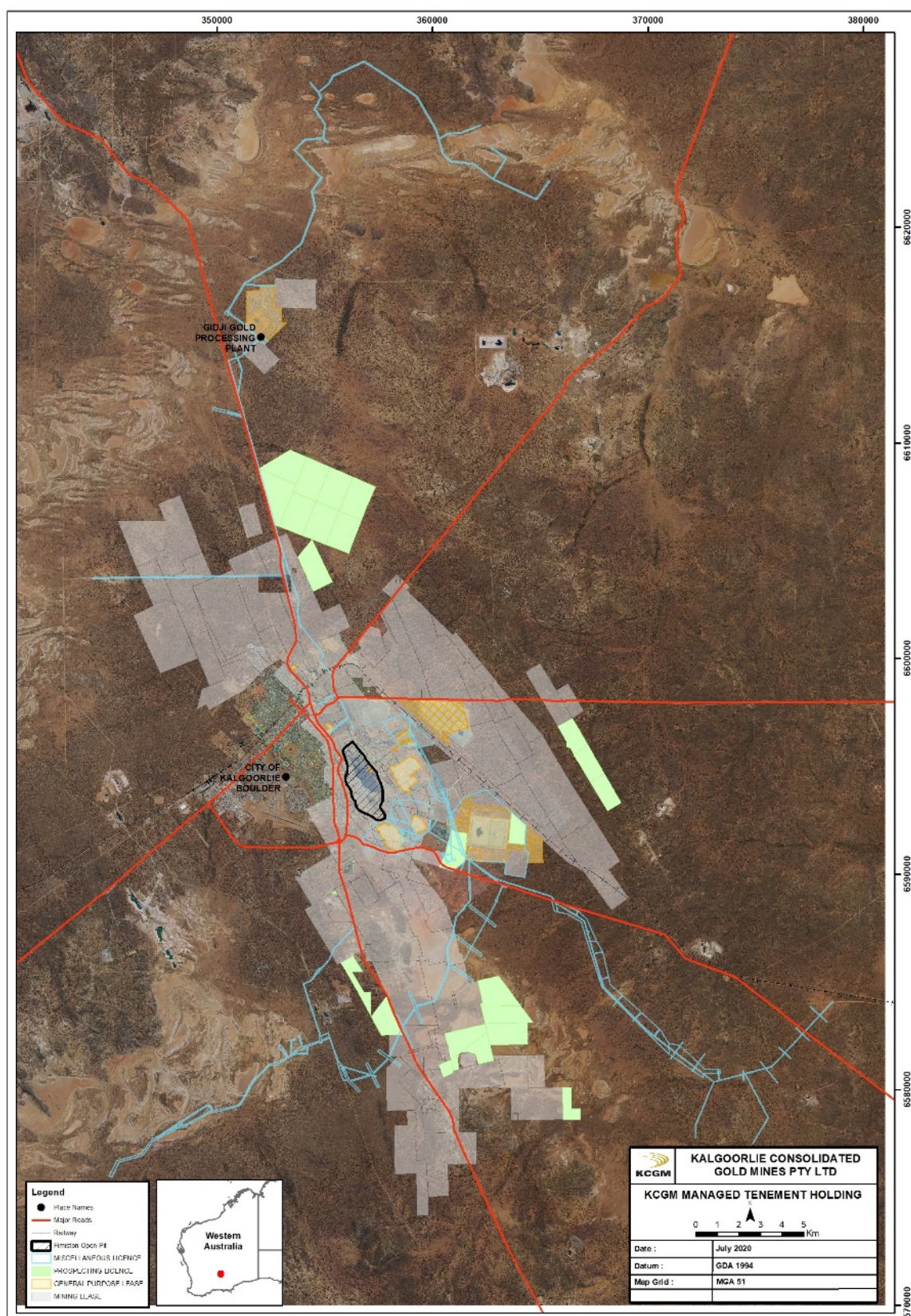


Figure 3. Map showing Kalgoorlie-Boulder, Gidji, and KCGM exploration tenements

2.2 Recent changes

Slip in the Fimiston Open Pit

In May 2018 a significant rock fall occurred in the Fimiston Open Pit. This event caused a significant and immediate drop in production and the need for extensive remediation work. This slip was significant because it had a material impact on the viability of KCGM's operations and was followed by several announcements of redundancies during the second half of 2018, with a total of 45 redundancies as a result of the slip. This in turn introduced a degree of community uncertainty about the future of the company as a whole, and this uncertainty is discussed further in Chapter 4.

Continued complaints

Over the past four years there has continued to be a steady number of community complaints related to vibration from blasting, noise, and dust from mining operations. The total number of complaints is shown in Table 11. The majority of these complaints related to vibration from blasting at the Mt Charlotte mine. A smaller number of complaints relate to complaints at the Fimiston Open Pit, where they relate mainly to dust. A small number of complaints are not site specific and relate to employee behaviour. These complaints are indicators not only of a reduction in amenity, but in some cases a concern and perception that the company may be causing damage to residential property. This is discussed further in Chapter 4.

Table 11. Complaints

Year	Total complaints
2017	38
2018	30
2019	8
2020 (Jan-Apr)	20

Change in ownership

At the end of 2019 the KCGM mine was sold to new joint venture (JV) owners. Northern Star acquired Newmont's half stake in KCGM and Saracen Mineral Holdings acquired Barrick's half share. KCGM has now been operating under the new ownership for the last half year. Both new owners are well known in the region, operating neighbouring mine sites located outside Kalgoorlie-Boulder at Kanowna Belle (Northern Star, 18km from Kalgoorlie-Boulder), East Kundana (Northern Star, 25km from Kalgoorlie-Boulder), South Kalgoorlie (Noand Carosue Dam (Saracen, 300 kilometres from Kalgoorlie-Boulder).

The recent change in ownership has been positively received by many in the community, with the change in ownership being seen as the company returning to local West Australian ownership after a long period of overseas ownership.

The change in ownership has, however, resulted in a gap in KCGM standards including, but not limited to, local employment, procurement, community contributions and indigenous engagement. While previous standards used by the former parent company Newmont continue to provide a framework for KCGM's approach to the above issues, there is a transition process of developing and formalising new policies and strategies.

The recent change in ownership has also introduced uncertainty into the community. The community are unclear on KCGM's future plans, both in terms of where and how it operates. This uncertainty - and in some cases - perceived lack of transparency, is discussed further in Chapter 4.

2.3 Native Title

The Native Title claim history in the Kalgoorlie-Boulder region has historically been fractured and fractious. Individuals, families, clans, and claim groups have not been able to be defined and determined due to disagreement about who can and can't be included as an applicant.

In addition to the fractured and fractious history of the claims, the management of claims has not been effective. This has resulted in Native Title not being inclusive of all relevant people in the Aboriginal community.

Native Title in the Kalgoorlie-Boulder area has often been characterised by group, rather than societal native title claims. Currently there are 2 registered claims which overlap in Kalgoorlie – Maduwonngga People (WAD186/2017) and Marlinyu Ghoorlie (WAD647/2017). Consideration of Native Title issues is discussed further in Chapter 6.

There is further discussion of the Aboriginal community in Kalgoorlie-Boulder (Ch. 3); impacts related to KCGM's engagement with Aboriginal employees and suppliers (Ch. 4); as well as the need for a more strategic relationship with Traditional Owners and the Aboriginal community (Ch. 6).

3. Social Baseline

KCGM's operations occur in a particular physical, social, cultural and economic context. In some cases, that wider context has the potential to both increase or decrease the social impacts (both positive and negative) that occur as a result of KCGM's operations; and to influence the relevance and feasibility of the management strategies that the company might adopt.

This chapter of the SIA provides a description of the 'social baseline' of Kalgoorlie-Boulder, i.e. a description of the demographics of the community and social trends – key elements of the context in which KCGM operates. It also introduces the use of Local Voices survey data.

3.1 Areas of study

There are four broad geographical areas that should be considered when it comes to assessing the social impact of KCGM. It is important to understand those areas and the degree to which this SIA has focused on each. They are:

- **'Near mine' communities.** This study has separated out those areas of Kalgoorlie-Boulder that are immediately proximate to mining operations at the Fimiston Pit and underground operations at Mt Charlotte. The 'near mine' communities are shown in Figure 4 and has been used to further refine this study's demographic analysis, as well as to better understand the results of KCGM's own 'Local Voices' survey.

These 'near mine' communities are the populations most likely to experience direct physical impacts from KCGM's operations due to their proximal location. These impacts include noise, dust, vibration from blasting, mine-related traffic flows, and proximity to a more industrialised landscape. It is important to note that no geographical grouping will ever be 100% reliable when considering impact assessment. There will be people who experience physical impacts from KCGM operations who live outside of these areas, just as there will be those inside the area who do not. Moreover, many of the social impacts identified in this report occur across the wider Kalgoorlie-Boulder area, not just in near mine communities.

- **Kalgoorlie-Boulder.** It is important to note that the ABS (Australian Bureau of Statistics) groups data for Kalgoorlie-Boulder in a number of different ways.
 - **Kalgoorlie-Boulder Urban Centre and Locality (UCL):** The ABS provides some data based on the immediate urban area of the city of Kalgoorlie-Boulder. Where possible we have used data based on this area because it is where the overwhelming majority of KCGM's social impacts occur in this relatively compact—62.5km²—area.
 - **Kalgoorlie-Boulder Local Government Area (LGA):** Other ABS data, however, is grouped by SA2 statistical units and that in turn is sometimes used in research to show figures across the Kalgoorlie-Boulder LGA. Where possible we have avoided using the LGA data because it applies to a much larger geographical area of approximately 95,500km² that stretches all the way to the state border with South Australia.
- **Areas adjacent to but outside of Kalgoorlie-Boulder:** KCGM has social impacts in areas outside of the immediate Kalgoorlie-Boulder urban area, particularly with regards to the processing activities at Gidji (approximately 20km outside of town), and in exploration activities on various licences held by the company. Figure 3 presented in Chapter 2 shows the location of Gidji as well as the licences held by KCGM. While the focus of this SIA has overwhelmingly been on the Kalgoorlie-Boulder urban area, there are some impact areas—such as the company's approach to Native Title—which do have impacts outside of the city.

- **Australia:** Finally, there are impacts from KCGM which flow through to other areas of Australia as a whole. These impacts include the supply of goods and services to KCGM, the payment of taxes and royalties to different levels of government, etc. Where possible this SIA has provided some data on Western Australia to provide a comparator to what is happening in Kalgoorlie-Boulder, but in general the SIA does not focus on KCGM's social impacts in these areas. Recognising those impacts are significant for the individuals affected and KCGM, the impacts in those other regions, the rest of Western Australia, and Australia as a whole from KCGM are very minor.

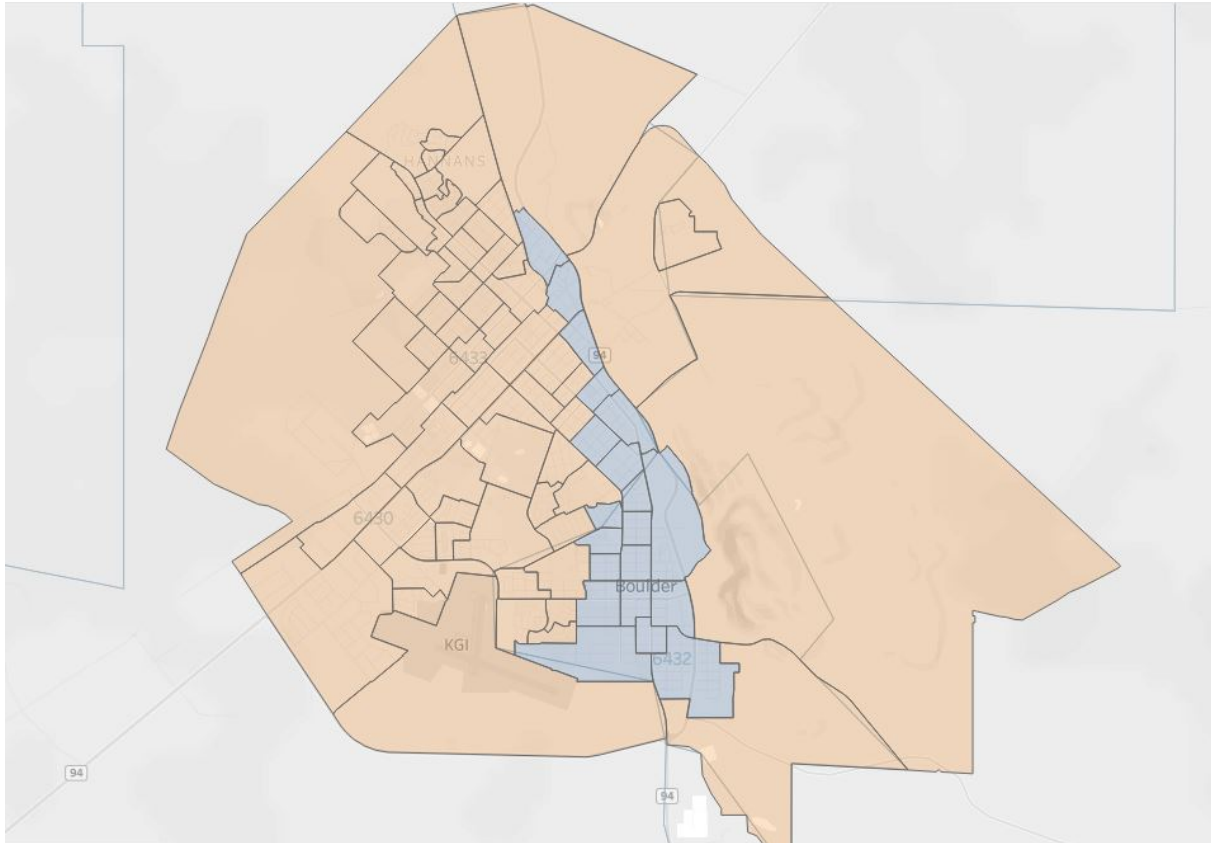


Figure 4. Near Mine Communities in the Kalgoorlie-Boulder area

3.2 Kalgoorlie-Boulder

With a population of slightly less than 30,000, Kalgoorlie-Boulder is one of very few inland cities in Western Australia. Because of this it is difficult to establish baselines with which to compare the city in order to understand what a 'normal' trend for the city is. This is important because at times Kalgoorlie-Boulder's unique situation appears to create mixed expectations amongst those who live there. As the bustling hub of the Goldfields region it is able to offer a lifestyle that includes access to public services such as education, healthcare, transportation links, employment opportunities, social and community groups such as sports, and commercial goods and services. These are not all available elsewhere in the region. However, because Kalgoorlie-Boulder is so small compared to Perth, there are invariably many other expectations that go unmet. This mixture of met and unmet expectations was apparent in many of those interviewed for this study.

Within Kalgoorlie-Boulder there are some areas which—by virtue of proximity—have a different experience of KCGM's impacts on the city. Parts of the suburbs of Boulder, South Boulder, Piccadilly, Kalgoorlie, South Kalgoorlie, and Williamstown sit adjacent to the Fimiston Open Pit mine or the Mt Charlotte underground mine. In the case of Williamstown, parts of the community sit above the Mt Charlotte mining areas and adjacent to the surface facilities of the mine. For this reason this SIA has, as noted above, focused much of its analysis on both who lives in those areas (more on which in this social baseline chapter), and how they perceive KCGM and experience impacts from the company's operations.

At the city level, the most notable trend in Kalgoorlie-Boulder in recent years has been that of a very significant decline in population and an even greater decline in labour force.¹⁰ The population of the Kalgoorlie-Boulder LGA peaked at 33,267 in 2013, and has since declined by 12.9% to 29,469 in 2019. Over the same period the workforce declined by a staggering 24.1%. It is important to understand this change because:

- It is changing the make-up of the city's community, and with it, the way in which they are impacted by KCGM. Management strategies that may have worked previously may no longer be as effective, just as there may also be opportunities now that did not previously exist.
- This decline in population and workforce invariably impacts on the overall lifestyle—social, economic, cultural—that the residents of Kalgoorlie-Boulder are able to maintain. Moreover, because the declining population threatens some aspects of that, there is an increased focus on the role of the mining industry as a whole in the town. As the city's single largest and most visible employer, this means that there are changed expectations of KCGM.
- Because this decline has occurred since 2013, it was largely not picked up in the social baseline data considered in the last KCGM SIA. While data in that report captured the very modest decline in population in 2014, it also included long-term projections that suggested that the population of the city would be 35,860 by 2021. The reality is very different.

Figure 5 shows this change in terms of the population growth and then decline of Kalgoorlie-Boulder relative to the rest of Western Australia. While the overall rate of population growth reduced significantly across the state in that time, the population did continue to grow.

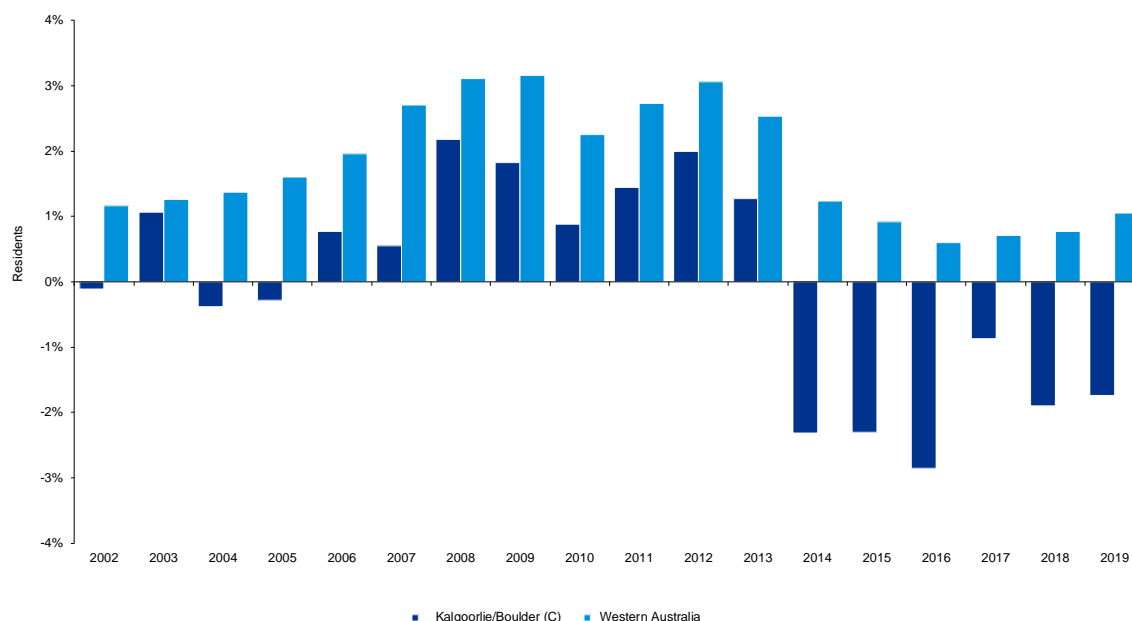


Figure 5. Rate of population growth of Kalgoorlie-Boulder LGA compared with Western Australia

¹⁰ The labour force is defined by the ABS as being the total of everyone who is in employment or is looking for employment. People who are not in the labour force are typically those who are retired, caring for children, attending an educational institution, have a long-term health condition or disability, etc. A full definition can be found here <https://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by%20Subject/6102.0.55.001~Feb%202018~Main%20Features~The%20Labour%20Force%20Framework~3>

Table 12 outlines the key demographic indicators for 'near mine' areas, those areas of Kalgoorlie-Boulder outside of the near mine area, Western Australia excluding the Perth area, and Western Australia as a whole. From this data we can see that Kalgoorlie-Boulder:

- Has a higher male percentage than WA as a whole; with there being approximately 900 more men than women in the city.
- Is wealthy – the median household wage is 30% higher than the West Australian average.
- Is younger – with an average age of 33 compared to 36 across the state.
- Is more likely to have been born in Australia – i.e. immigration to the state has been principally focused in the Perth area, and less so in regional cities such as Kalgoorlie-Boulder.
- Has higher rates of people in full-time work (67% vs 57%); fewer in part-time work (21.4% vs. 30%); and lower levels of outright unemployment (5.9% vs. 7.8%). It should also be noted that while unemployment has grown across WA between 2011 and 2016 (from 4.7% to 7.8%), the impact has been more modest in Kalgoorlie-Boulder (4.3% to 5.7%).
- Has lower levels of household ownership – only 58.7% of Kalgoorlie-Boulder residents live in a home that they own with a mortgage, or outright, compared with 68.2% of Western Australia as a whole.

Table 12. Key demographic indicators (2016 census)

Indicator	Near mine	Rest of K-B ¹¹	Rest of WA ¹²	WA
<i>Population</i>	7,904	21,929	479,994	2,392,638
- % Indigenous or Torres Strait Islander	9%	7%	8%	2%
- % Male	52%	52%	52%	50%
- % Female	48%	48%	48%	50%
- % born overseas	25%	27%	20%	35%
- Median age	33		39	36
- % under 15 years old	21%	24%	20%	19%
- % over 65 years old	10%	6%	15%	14%
<i>Annual Income</i>				
- \$0 or negative	11%	11%	9%	9%
- \$1 - \$20,799	17%	14%	21%	21%
- \$20,800 - \$41,599	22%	17%	24%	24%
- \$41,600 - \$51,999	8%	7%	8%	8%
- \$52,000 - \$103,999	30%	31%	25%	25%
- \$104,000+	13%	20%	12%	13%
- Household median weekly income	\$2,082		\$1,415	\$1,595
<i>Educational Attainment</i>				
- No Tertiary Education	59%	50%	44%	52%
- Certificate	25%	26%	19%	25%
- Non Graduate Diploma	7%	8%	11%	9%
- Bachelor Degree +	10%	16%	26%	14%
<i>Employment</i>				
- % of relevant pop in workforce	70%	78%	67%	68%
- % unemployed	5%	4%	4%	5%
- % working part-time	15%	17%	19%	20%

¹¹ Those areas of the Kalgoorlie-Boulder UCL, excluding near mine areas. Where the 'Near mine' and 'Rest of K-B' fields are merged, a single figure is shown for all of the Kalgoorlie-Boulder UCL.

¹² Those parts of Western Australia, excluding Perth.

Indicator	Near mine	Rest of K-B ¹¹	Rest of WA ¹²	WA
- % working full-time	45%	53%	40%	39%
<i>Residence¹³</i>				
- Living in same residence 5 years ago	61%	59%	54%	53%
- Owns home outright	20%	17%	33%	30%
- Owns home with mortgage	41%	42%	30%	40%
- Renting	37%	39%	32%	28%
<i>Household type¹⁴</i>				
- Couple with no children	23%	24%	28%	27%
- Couple with children	28%	37%	27%	33%
- One parent family	10%	8%	9%	10%
- Lone person household	29%	22%	24%	23%

Near mine areas

The near mine areas are particularly striking both demographically, as well as the way in which they perceive KCGM (Section 3.4 outlines different responses to KCGM's Local Voices survey). Most notable demographically is the high share of low SEIFA (Socio Economic Indexes for Areas) residents when compared with the rest of Kalgoorlie. The SEIFA is a tool produced by the ABS and 'ranks areas in Australia according to relative socio-economic advantage and disadvantage.' That socio-economic advantage or disadvantage is a reflection of **'people's access to material and social resources, and their ability to participate in society.'**¹⁵ As Figure 6 shows, a majority of near mine areas fall into the two lowest SEIFA deciles, and – correspondingly – there are no near mine areas in any of the top four deciles.

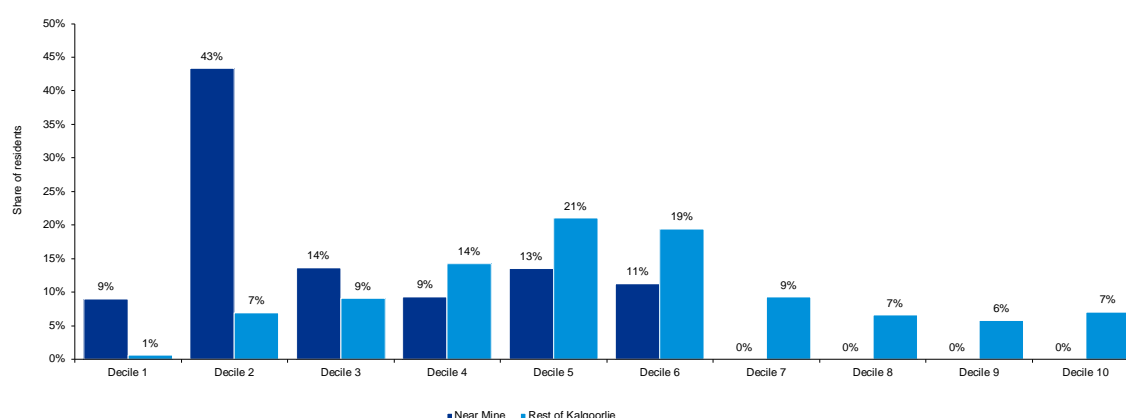


Figure 6. SEIFA decile for near mine communities in Kalgoorlie-Boulder

Other key demographic differences about the near mine communities include:

¹³ A very small percentage (1%) of Kalgoorlie-Boulder residents occupy their dwelling rent free.

¹⁴ Some household types excluded where the numbers are small – e.g. multi-family households, group households, or households consisting solely of visitors.

¹⁵ See ABS (2013), Social-Economic Indexes for Areas (SEIFA) 2011, accessible at [https://www.ausstats.abs.gov.au/ausstats/subscriber.nsf/0/22CEDA8038AF7A0DCA257B3B00116E34/\\$File/2033.0.55.001%20seifa%202011%20technical%20paper.pdf](https://www.ausstats.abs.gov.au/ausstats/subscriber.nsf/0/22CEDA8038AF7A0DCA257B3B00116E34/$File/2033.0.55.001%20seifa%202011%20technical%20paper.pdf) SEIFA draws on a number of variables including those related to income, skills and education, employment, housing, internet connectivity, disability, language ability, car ownership, etc.

- They are poorer than Kalgoorlie-Boulder: while 51% of non-near mine residents have an annual income of \$52,000 or greater, that falls to 43% in near mine areas. In Williamstown the median total household income is particularly low - \$1,089 per week compared with \$2,082 for Kalgoorlie-Boulder as a whole.
- Are older: some near-mine suburbs such as South Boulder are slightly older (a median age of 35) compared to Kalgoorlie-Boulder as a whole, but again that changes significantly in Williamstown where the median age is 50.
- Are slightly more likely to be indigenous: 9% compared to 7% for the rest of Kalgoorlie-Boulder.
- Have more stable housing – despite being poorer, near mine residents are more likely to own their own home, and are more likely to have been living there since the last census.

Mining employment and FIFO patterns

The mining industry is a significant employer of the Kalgoorlie-Boulder population, with 26% of near mine residents and 27% of residents living in the rest of Kalgoorlie-Boulder being employed in the mining industry at the time of the 2016 census.

The fear of increased fly-in-fly-out (FIFO) workers and the socio-economic impact that might have on Kalgoorlie-Boulder as a whole is a very significant issue in the city (see Chapter 4). FIFO impacts were raised by the majority of interview subjects. As noted above, there has been a substantial drop in population in the city as a whole. In part this explains some, but not all, of the social and economic changes observed by interviewees. The above highlighted the decline in the overall workforce has been much greater than that of the population as a whole. At the same time, census data shows that 25% of those in Kalgoorlie-Boulder at the time of the census were not usually resident there (22% being from other parts of WA; 3% being from other parts of Australia).

It should be noted that KCGM finds itself in a potentially difficult position when it comes to FIFO issues. By virtue of its location; of being the single largest employer in the city; and because of its policy of mandating residential employment; it is easily the most visible mining company in Kalgoorlie-Boulder. Because of that there is some evidence – and this is discussed in Chapter 4 – that fears and anxiety related to FIFO are an issue for KCGM because of that visibility.

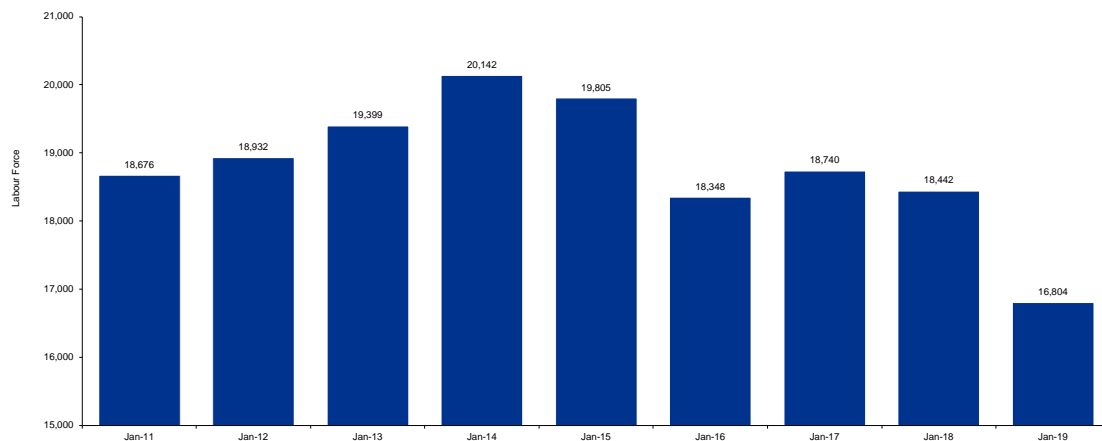


Figure 7. Overall workforce in Kalgoorlie-Boulder LGA

Non-mining sector employment

While mining-based employment in Kalgoorlie-Boulder forms an important subset of employment, it is not the only industry creating jobs for local people, with approximately 75% of residents employed in an industry other than mining. Figure 8 highlights a number of industries that employ more than 5% of residents living in 'near mine' communities and/or the rest of Kalgoorlie-Boulder (based on the 2016 ABS Census). These are manufacturing; construction; retail trade; accommodation and food

services; transport, postal and warehousing; public administration and safety; education and training; and health care and social assistance.

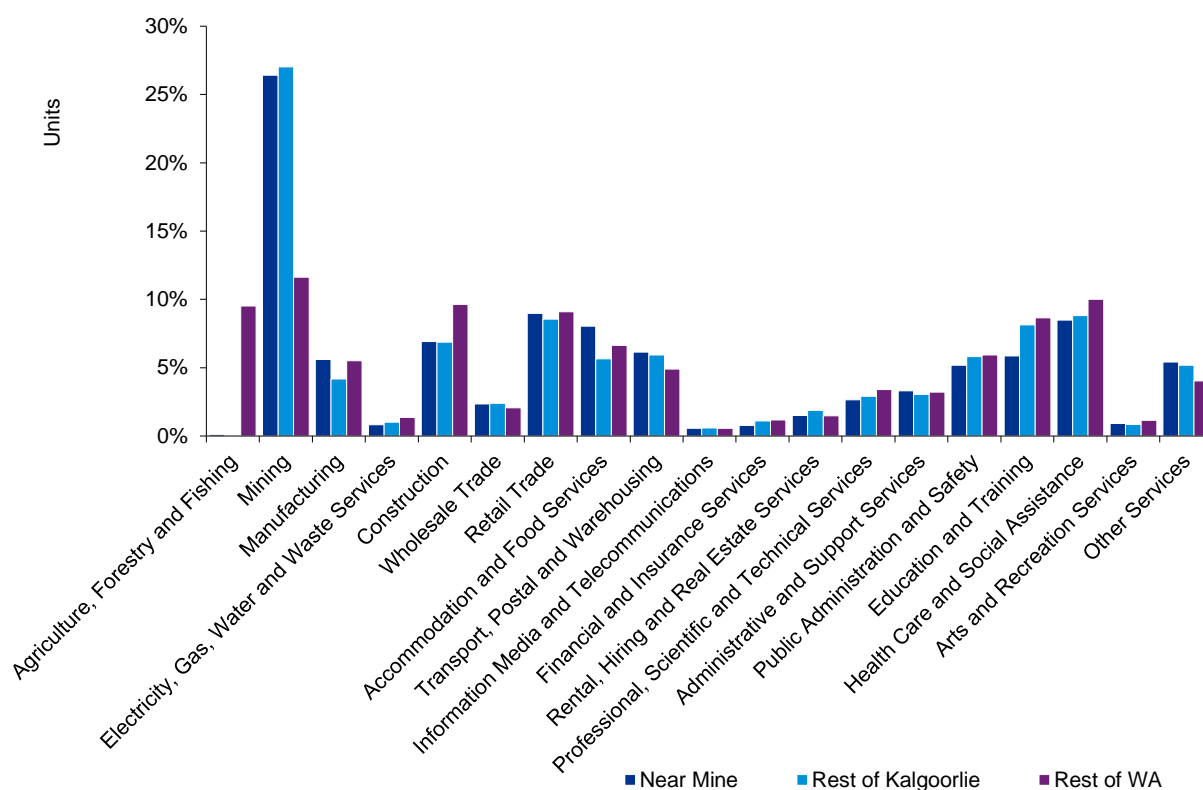


Figure 8. Employment by industry

In general, employment by industry is similar to that of the rest of WA. Key differences are seen in the lower level of employment in construction, and (unsurprisingly) agriculture, forestry and fishing and; and to a lesser extent, education and training, and health care and social assistance. The latter two may be of concern, even though the rate of employment is only slightly lower (by up to 3%), because these areas are frequently linked to population size meaning that a further decline in population could see these areas of employment and thus service to the community also declining. At the same time, rates of employment in accommodation and food services, and transport, postal and warehousing are slightly higher (by up to 2%) than for the rest of WA.

Aboriginal Landscape

The Aboriginal population of Kalgoorlie is younger and receives significantly less income than the general community. They are also less likely to be employed and less likely to have completed high school, vocational education or higher education - all of which are drivers of community prosperity, well-being and are enablers of engagement and participation with the broader economy. Table 13 shows ABS 2016 statistics for the Aboriginal Community in Kalgoorlie-Boulder.

Table 13. 2016 ABS breakdown of key Kalgoorlie-Boulder Aboriginal community social indicators

2016 ABS Indicators	Aboriginal ¹⁶	Non-Aboriginal
Population	2,137	27,683
Median Age	22	33
Median Household Income (\$/week)	\$1,323	\$2,118
Employment (15 and over)	36%	73.5%
Completion of Year 12 or equivalent (15 and over)	284	8,870
Cert III or IV (15 and over)	117	4,745
Bachelor Degree (15 and over)	27	1,996

Within the Aboriginal community itself, there is a feeling that Aboriginal people have not been able to properly participate in or benefit from the development of the Kalgoorlie-Boulder area. Additionally, there is a perception that Kalgoorlie-Boulder has been more concerned with mining development, rather than with its civic amenity or social function.

The relationship between Aboriginal people and the broader community of Kalgoorlie-Boulder is best described as fractured and fractious, with race and racism featuring strongly in the narratives of both sides. Exclusion and disadvantage are viewed as drivers for social issues such as low educational attainment, alcohol and substance abuse, antisocial behaviour, and crime. These issues in turn affect the broader Kalgoorlie-Boulder community, harden negative community attitudes and lead to further exclusion and disadvantage.

This fractious relationship reached a climax in recent years with the death of Elijah Doughty in August 29, 2016, followed by the protest and riot at the Kalgoorlie Courthouse on August 30¹⁷. The perceived light sentence of the driver of the vehicle in July 2017 sparked further tensions and protests across Australia¹⁸ and his subsequent release in March of 2018 has underscored these tensions, which continue to be displayed on social media¹⁹.

The Aboriginal community in Kalgoorlie-Boulder has a number of community based service delivery organisations that also serve a representative function, however, there is not a representative community organisation per se. Being a regional centre in a remote setting, there are also people

¹⁶ Figures are 'place of normal residence'. There is likely to be a very significant undercount due to transient people, those who refuse/cannot complete the census and because a very large number of people didn't declare whether they were Indigenous or not.

¹⁷ ABC News, Kalgoorlie protest: Arrests made, officers injured in violent riot over teen's death, 2016, retrieved 7 May, 2018

¹⁸ ABC News, Elijah Doughty: Melbourne brought to standstill as protesters march against sentence, 2017, retrieved 7 May, 2018

¹⁹ 9News, Man who struck and killed Aboriginal teen Elijah Doughty released from prison on parole, 2018, retrieved 7 May, 2018.

from different traditional areas and cultures visiting and residing in Kalgoorlie-Boulder - adding to the complexity of Aboriginal community engagement.

The main Aboriginal organisations operating in Kalgoorlie-Boulder are Bega Garnbirringu Health Service, Goldfields Indigenous Housing Organisation, Goldfields Land and Sea Council and Tjuma Pulka (Media) Aboriginal Corporation. While these are service delivery organisations, rather than representative community bodies, they are organisations around which consultation and liaison efforts can be built (See Section 4, Impact 4 for opportunities for KCGM to consider).

The Ninga Mia community on the outskirts of Kalgoorlie-Boulder is in the process of being closed. A recent audit of buildings there found many of them unfit for habitation and the West Australian government is in consultation with the small number of remaining residents about closure.²⁰

3.3 Social trends

Reviewing the data sources listed in Table 4 (Section 1.3.1) supported the identification of a number of key themes with regards to the social environment of Kalgoorlie-Boulder. These key themes are described below, supported by stakeholder quotes.

Town Identity

Over the past thirty years, KCGM's operations have become ingrained as part of Kalgoorlie-Boulder's identity, for example, stakeholders explained:

"The uniqueness of the place – people are very proud of that" and "growing up in Kal I had a positive view of KCGM, Kal has pride about the Super Pit."

"Biggest thing is that it gives an identity to the town 'The Super Pit' you talk to people and they always mention the super pit and everyone knows what that is. It's a positive impact for tourism, people come to see the mine."

Social and Community Cohesion

The topic of social cohesion and perceptions by some stakeholders of a fractured community came through in the document review and stakeholder engagement. Stakeholders reflected a mixture of positive and negative sentiments around social cohesion and community connectedness, for example, positive reflections included:

"I grew up here regionally. Loved it, it's a good place for kids to grow up, great friends, sporting groups, involved in play groups – soccer, dancing. We love it. Professionally there are awesome opportunities that you wouldn't get in Perth, it's a win win for young families, great lifestyle, a lot of people are like-minded."

"One thing that makes Kal special. It is a community to me, and that is personally and work as well. Working together as a community."

At the same time, some stakeholders provided more negative reflections on community cohesion, including:

"There is a community spirit – but it used to be stronger – back then it really worked."

"There is a divide between the haves and have nots – from people with lots of money through to third world standards – and you don't have to go far to see it."

These quotes suggest that, while many people feel a strong sense of community, others may not feel included.

Diversity

A lot of reference was made within documents and during stakeholder interviews and workshops to the diversity and the multilayered social dynamic that is found in Kalgoorlie-Boulder. Residents from a multitude of nationalities call Kalgoorlie-Boulder home. There was also a strong acknowledgement

²⁰ See ABC Goldfields, 'Squalid homes demolished, residents relocated from Aboriginal reserves, in the shadow of big-money mines', 13 July 2019, accessible on <https://www.abc.net.au/news/2019-07-13/squalid-indigenous-housing-in-shadow-of-big-money-mines/9940500>

from many stakeholders of the Aboriginal community based in Kalgoorlie-Boulder and the region. Stakeholders shared their reflections on gender and diversity:

"Kal is unique, with a strong Indigenous population and a multicultural background."

Women in general and especially women in mining received a lot of coverage in media releases and conversations with stakeholders:

"it's important for our region because men tend to bring business along but tend to leave the community behind, but women tend to bring community along, which then brings business and also builds sustainability, so that's what we mean by our theme Leave No Woman Behind — it means we include everyone"

"Women in mining campaigns have been really great"

Education and Training

The topic of education and training was a focus particularly for stakeholders who work with youth or who have family in Kalgoorlie-Boulder. While some were positive about the employment opportunities available in the city that would allow high school students to stay in the city after finishing their education, others saw challenges for or gaps in the education and training services within Kalgoorlie-Boulder:

"a big unique challenge ... is that we've got a lack of young people in the city or young people that leave schools that have transition pathways into universities, so there is a high transient population where 15-17 year olds leave to find out if the grass is greener, some come back"

"High schools are always a big thing in Kal – there is one public and one independent. People don't view it as a high quality education"

Health Care and Mental Health

A common issue raised was that local health care facilities are not as available and accessible as in larger cities, with many stakeholders making reference to travelling to Perth to seek specialist health care:

"Health care is a tricky one, I was sick last week and trying to get into a doctor's surgery is pretty impossible, and we have only just got tele-health set up here. Health services in general – have to travel six hours – tooth canal, have to travel to Perth for."

"I am familiar with the allied health situation, and I know how difficult it is to get residential specialists – you can't get people to move to Kal. I don't have an answer to it"

Drugs and Alcohol Abuse

The high rate of alcohol and substance abuse was highlighted as an issue within Kalgoorlie-Boulder. Stakeholders expressed concern regarding the effects that this is having on the town, and young people in particular, linking it to a range of factors such as poverty, challenges associated with the mining industry, and Aboriginal disadvantage:

"Low socio-economic families, and depending on the family, might have their own issues. Parents might be disengaged from their [children's] lives. Abuse, alcoholism. So there are a lot of issues, different for every family"

"The FIFO impact on families; they leave their families and youth. It impacts the workers and the families. Drugs and alcohol are a coping mechanism"

"Alcohol and drug use are really big problems in the town. They create really big problems for the community. People find it very difficult to handle alcohol and live day to day with alcohol and I think in many ways it destroys their community which is very hard. But poverty, a lot of the issues [that are linked to] the psychological breakdown that is created by poverty is very soul destroying and I think lack of understanding from the rest of society is a major issue"

Community Safety

In addition to concerns around abuse of drugs and alcohol, stakeholders also raised concerns related to perceptions around community safety and a high crime rate, which they linked to social issues as well as racism. The issue of community safety is complex and the scope of this SIA has not included

in-depth analysis of crime statistics, however, the following quotes from stakeholder engagement provide examples of stakeholder's perceptions and concerns:

"There is a perception that the town is unsafe"

"There have always been social issues in the town, we have always had a significant socio-economic problem in the town because while you have got a mining workforce you have always got a broad range of socio-economic expectations,"

"I love it [Kalgoorlie-Boulder], the community spirit is definitely there, and the spirit is fractured at the moment, a lot of social issues at the moment, a lot of crime here. This puts people off from being in the community."

A smaller number of stakeholders linked community safety specifically to increased racial tension in Kalgoorlie-Boulder, with one stakeholder explaining:

"There is a lot of racial tension here, there has been for a few years, [the] death of Elijah Doherty was a tipping point and brought tensions about crime and Aboriginal people to a head"

3.4 Local voices

Local Voices is a community survey instrument that has been developed by Voconiq (formerly part of CSIRO) and which has been used in Kalgoorlie-Boulder since 2019. The key characteristics of the Local Voices survey are:

- An online survey instrument is developed and a communications campaign is used to encourage local residents to complete the survey. Respondents can nominate a community group which will receive a modest reward for each completed survey.
- The first survey is a comprehensive anchor survey in which respondents are asked a wide variety of questions about their experience and views of life in Kalgoorlie-Boulder, as well as of KCGM as a company. This survey was carried out in August-September 2019, with 419 responses received.
- Following the anchor survey, much shorter pulse surveys are deployed several times a year. The pulse surveys test a small set of core questions from the anchor survey so that changes in responses can be tracked over time. Each pulse survey is also able to test a small number of focus questions specific to that survey. So far there has been one pulse survey carried out in April 2020, with 234 responses. Focus questions were included on how the community was responding to the Covid-19 pandemic.
- Survey questions typically ask respondents to answer questions on a five point scale – 'not at all' 'slightly' 'neutral' 'very much' and 'extremely'.
- Results from the survey are then made publicly available so that the community is able to see the results. Information on the Kalgoorlie-Boulder Local Voices program can be found at <https://voconiqlocalvoices.com/kalgoorlie-boulder/>

The Local Voices surveys were an important source of data for both this SIA as well as for informing KCGM community engagement activities going forward. The advantage of using the Local Voices survey are several and include:

- Because the survey is not simply a single point in time, it is able to build up a picture of community attitudes and company performance over time.
- By tracking key indicators of company performance, it serves in effect as an early warning system for community sentiment. If the company changes an aspect of its operations or how it interacts with the community, that change will be picked up in pulse survey data.
- By publishing the results of the survey, KCGM is in effect creating a public accountability mechanism for its performance – the wider community will be able to see when/if company performance worsens or improves.

There are, however, a small number of challenges with the data that is collected through Local Voices that are important to keep in mind:

- Residents of Kalgoorlie-Boulder experience positive and negative social impacts in different ways depending on – amongst other things – where they live, who they are. Residents who live closer to mining operations are likely to experience more negative impacts, while those living further away are more likely to identify positive impacts.
- Similarly, those who work for KCGM or another mining company, are likely to perceive impacts differently from those who do not directly benefit from the mining industry through their employment. The Local Voices surveys have had a significant response from employees and contractors of KCGM – with 39% of anchor survey respondents, and 35% of pulse survey respondents, working for the company.

Results from the local voices survey have been used in Chapters 4 - 6 of this SIA to provide an additional data point to complement other qualitative data points. Where possible, these results also show where there are differences in experiences and perceptions based on whether a respondent is 'near mine' or not, and whether they are an employee of a mining company (including KCGM) or not. At a high level the following observations can be made:

- Levels of satisfaction with life – across a range of issues and across all groups – is high in Kalgoorlie-Boulder.
- All respondents have strongly positive views on core indicators of trust in KCGM across questions such as (amongst others) trusting the company to act responsibly; feeling goodwill towards the company; and the willingness of the company to change.
- Those respondents who live close to KCGM's operations and who are not an employee of the company hold less positive views of the company. Those respondents are more likely to experience negative environmental impacts (e.g. noise, dust, vibration), though there are high levels of confidence in how KCGM manages the effects of its operations.
- All groups – regardless of location or whether or not they are employed by the mining industry – see that KCGM provides high levels of positive benefits across a range of areas, including to local businesses, through employment, improved education and training opportunities, tax revenues to the state, as well as supporting social and cultural activities.
- Across some questions in the surveys there was a high level of 'neutral' responses. This was particularly the case with questions related to whether KCGM listens to the community (57% neutral in both the anchor and pulse survey); whether the company is prepared to change in response to community concerns (45% neutral in the anchor survey); and whether the community feels able to participate in decisions made by the company (47% neutral in the anchor survey). It should be noted, however, that the positive response to these questions were still greater than the negative. High levels of neutral response, however, are both a risk and an opportunity for KCGM in that any changes in the wider environment or in KCGM's performance could shift respondents either way to being negative or positive about the company or about life in Kalgoorlie-Boulder in general.




4. Social Impacts

The objective of the SIA was to assess the current and potential social impacts experienced by members of the Kalgoorlie-Boulder community due to the presence of KCGM. The SIA considered KCGM's mining operations; approach to employment, procurement and community investment; decision-making and communication processes, and recent change in ownership.

4.1 Prioritisation and discussion of the social impacts

The SIA process identified twelve social impacts, which are summarised in Table 14. Of these twelve, this SIA report focuses on discussing five priority social impacts, which were selected to ensure that a mixture of key themes are discussed in the SIA. In addition, five social impacts were found to be strongly linked to the top priority social impacts and these are described in the relevant sections below.

Key for Table 14. Summary of all social impacts

























Criterion	Measure		
Type of impact: Is the impact a direct or indirect result of KCGM's actions?	Direct	Indirect	
			
Level of Concern or Stakeholder Interest: The level of concern or community interest expressed by stakeholders related to the social impact.	Low	Moderate	High
Relevance: The extent to which KCGM's actions and decisions influence stakeholders' experience of the impact.	Marginal	Noticeable	Significant
Magnitude: The extent to which the impact influences stakeholder's quality of life, livelihood or wellbeing.	Marginal	Noticeable	Significant
Vulnerable Stakeholder: Whether vulnerable stakeholders experience the social impact.	Low	Medium	High

























As previously explained, the process of rating each criteria (except the type of impact) involved assigning a numerical value of between 1 (e.g. low) and 3 (e.g. high) to each criteria per impact. The values of each criteria were then totalled to calculate an overall rating per social impact, and this total score informed the prioritisation of impacts as depicted in the social impacts register (Appendix B).

Each impact was also defined as being positive, negative or neutral, although this assessment did not contribute to the prioritisation of the social impacts.

In the process of identifying social impacts there is inevitably a tension between those impacts which create risks for people and communities, and those impacts which create risks for the projects and the company whose impacts are being assessed. The social impacts identified in this chapter focus on impacts and risks to people, while the following chapter provides commentary on considerations for KCGM's future planning, including risks for the company.

Table 14. Summary of all social impacts

Social Impact	Definition of social impact	Impact Type	Level of Concern or Stakeholder Interest	Relevance	Magnitude	Vulnerable Stakeholder	See Section:
1 Support of local employment (Positive)	KCGM provides substantial local employment opportunities, which has a positive flow on effect for the community and local economy.	Direct					Impact 1
2 Environmental impacts reduce quality of life (Negative)	The effects of blasting vibration, noise and dust associated with mining activities, leads to anxiety and/or reduces amenity and thus quality of life for near mine residents.	Direct					Impact 2
3 Uncertainty about future mining activities (Negative)	Change in company ownership, in combination with limited communication, visibility and transparency from KCGM, has led to increased levels of local uncertainty regarding KCGM's plans for the future, and thus future of the community.	Direct					Impact 3
4 Insufficient support of Aboriginal employment and procurement (Negative)	The low level of Aboriginal employment and procurement from local Aboriginal businesses by KCGM, fails to support livelihoods.	Direct					Impact 4
5 Provision of local funding and grants (Positive)	KCGM supports local organisations and community infrastructure through funding and grants.	Direct					Impact 5
6 Native Title commitment and relationships (Neutral)	KCGM's long-term relationship with Native Title claimants and groups is critical. While the current impacts that result from this relationship are modest, there is potential for significant positive impacts, or for significant negative impacts if this is not focused on now.	Direct					(Discussed in Chapter 5)

Social Impact	Definition of social impact	Impact Type	Level of Concern or Stakeholder Interest	Relevance	Magnitude	Vulnerable Stakeholder	See Section:
7 Fear of increasing FIFO Employment (Negative)	Fear that KCGM will increase its use of FIFO labour, leading to reduced residential employment and support to public services and local businesses.	Direct					(Interacts with Impact 1)
8 Perceptions that blasting contributes to property damage (Negative)	Anxiety associated with fears that vibration caused by blasting contributes to property damage and reduces property values for near mine residents.	Direct					(Interacts with Impact 2)
9 Support for tourism infrastructure (Neutral)	KCGM supports local tourism infrastructure such as the Hannan's North Tourist Mine and the Super Pit Lookout. The positive impacts of this support are reduced by uncertainty about KCGM's long-term commitment to this infrastructure.	Direct					(Interacts with Impact 5)
10 Indirect contribution to social issues (Negative)	Factors such as rostering and mining culture contribute to social issues associated with crime, drugs and alcohol abuse. It should be noted that this is a cumulative impact – i.e. it is the result of the mining industry as a whole in Kalgoorlie-Boulder; it is not an impact that is created by or specific to KCGM.	Indirect					(Discussed in Chapter 3)
11 Lack of transparency around KCGM commitments (Negative)	Due to the recent change in ownership, current KCGM standards and procedures are in the process of being revised and updated. This process of potentially moving away from existing policies has caused some uncertainty with stakeholders surrounding local employment, social and community commitments.	Direct					(Interacts with Impact 3)
12 Support to local industry (Positive)	KCGM supports local industry through its procurement of goods and services, which in turn supports local employment and the local economy.	Direct					(Interacts with Impact 1)

Priority Impact 1: Support of local employment



Summary of Results

Social Impact Area Definition: 'Local employment'

KCGM provides substantial local employment opportunities, which has a positive flow on effect for the community and local economy.

Nature of Social Impact:

KCGM's historical presence as a predominantly residential mine is viewed by stakeholders as a key point of difference, and critical to KCGM's ability to support the community. Being a residential mine KCGM provides employment opportunities to Kalgoorlie-Boulder residents, and thus supports a stable population, the local economy and the continued provision of services such as education and health facilities.

KCGM publically states,²¹ that they are a residential mine site with a workforce of 1,100 employees and contractors, of which close to one hundred per cent of permanent employees are local residents of Kalgoorlie-Boulder. Over the past five years KCGM has contributed more than \$2.3 billion to suppliers, payroll and community sponsorship initiatives.

Varied stakeholders expressed their appreciation of KCGM's local presence and its contribution to the local economy:

"KCGM provides good opportunities for families and somewhere local to work, live and earn a good living, as well as learn skills."

"They employ locally, are committed to a residential mine - without that mine the town would be a completely different place."

Stakeholders' positive sentiments regarding KCGM's focus on residential employment suggests a high level of reliance on the mine for the wellbeing of the community. KCGM is seen as *"part of the community"*, with one stakeholder suggesting that *"the super pit has been a backbone for the town. So and it is almost like a, I want to say a security blanket. And that can be looked at in two ways, a positive and a negative"*, due to this perceived reliance.

The good track record that KCGM has held in the past of being a residential mine means that local stakeholders hold high expectations that KCGM will continue to support local employment and thus contribute to the socio-economic wellbeing of the community.

"The need for KCGM to keep a residential workforce as much as possible is critical. As soon as people see that KCGM just shrugs its shoulders and go to FIFO they would lose a whole lot of credibility within the community"

"They are the biggest mine and the biggest company and they employ local people. That's their biggest thing."

These high community expectations highlights the importance of KCGM providing clear and transparent communications regarding its current residential workforce and future plans in order to foster community confidence. Some stakeholders highlighted concerns, for example, regarding the extent to which KCGM management and contractors are based in Kalgoorlie-Boulder.

²¹ <http://www.superpit.com.au/about/about-us/>

"KCGM is the only residential mine in the region, we know it's not 100% true, they run a fine line there and it can possibly damage their reputation. People know the GM is FIFO and won't relocate and Saracen and Northern Star are known FIFO mines."

Links to other social impacts:

The positive impact associated with local employment is linked to two additional social impacts.

- **Impact 7. Fear of increasing FIFO employment (negative)**

The flip-side to the positive impact associated with local employment, is fear that FIFO may increase. The recent change in ownership has led to increased levels of uncertainty about the extent to which KCGM will continue to operate as a predominantly residential mine, particularly as the joint venture owners are known for their existing FIFO workforces at other operations. This uncertainty had led to a fear experienced by residents of Kalgoorlie-Boulder that KCGM will increase its use of FIFO labour, with subsequent negative impacts on the local community and economy. In practice the change in ownership has not resulted in a change in residential employment levels, though the company should consider clearly publishing a residential employment policy or standard in order to give the community confidence that this will continue to be the case.

During the stakeholder engagement process, stakeholders expressed a high level of interest and concern related to potential increases in FIFO employment, with a local residents stating:

"You never know what happens with new companies coming in, what they do. We don't know that. So there is a bit of uncertainty about where this might go and how it will affect local employment."

In addition, local stakeholders often explained that they had witnessed a recent focus in the media²² about the mine being owned by 'locals' (i.e. 'the Kal boys') again, and several stakeholders echoed this support for the change in ownership. Others questioned the practical benefits of this and how genuine the sentiment was, as they feel that the mine has not been open in its communication of how many FIFO employees and contractors work at KCGM, for example:

"KCGM say it is all residential, but community know there are some roles and positions that are FIFO because it is easier ... Saying one thing but doing another leads to a level of distrust."

- **Impact 12. Support to local industry (positive)**

A second impact associated with local employment is the support KCGM provides to local industry through its procurement of goods and services, which in turn supports local employment and the local economy. KCGM is a key local supporter for local businesses, with close to thirty per cent of KCGM suppliers being located in Kalgoorlie-Boulder.

Local business owners and representatives highlighted, for example, that:

"KCGM do support local businesses, they do prefer to use local people. That is great that they do that for the local requirements. They want people with local experience to get jobs."

"Mining's the biggest contributor to the local economy here. For a really long time, KCGM has been a backbone. And the super pit has been a backbone for the town. So and it is almost like a, I want to say a security blanket."

One area in which local business owners felt KCGM could improve is the contracting and on-boarding process, which they felt was more difficult than that of other mines they supplied to.

Insights from Local Voices:

Local Voices data provides insights on the community's views of KCGM's contribution to local employment. The Anchor Survey found that 85% of respondents agreed that KCGM provides jobs for local people (Figure 9), although this figure is lower for stakeholders who live near to the mine (79%).

²² <https://www.australianmining.com.au/news/northern-star-completes-super-pit-acquisition/>
<https://www.australianmining.com.au/news/northern-star-joins-saracen-at-super-pit-with-newmont-buy/>

According to the Pulse Survey, respondents' have become more positive, with those agreeing that KCGM provides jobs for local people increasing slightly to 87% (Figure 9).

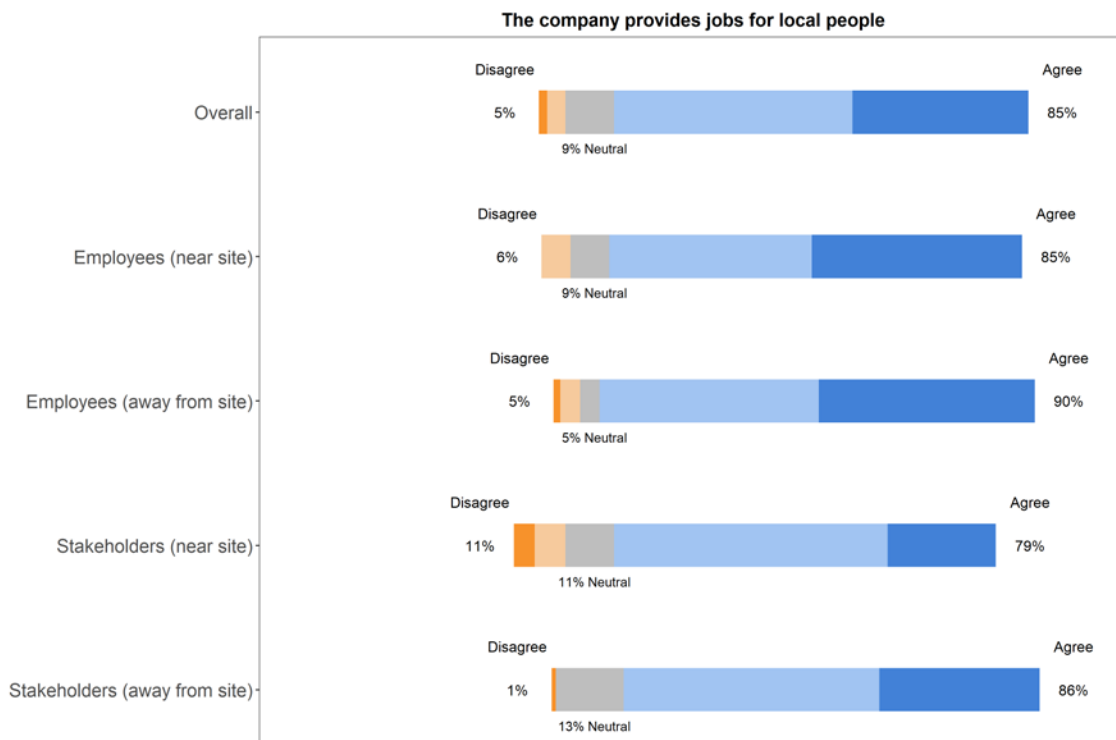


Figure 9. Local Voices Anchor Survey Results – Jobs for local people

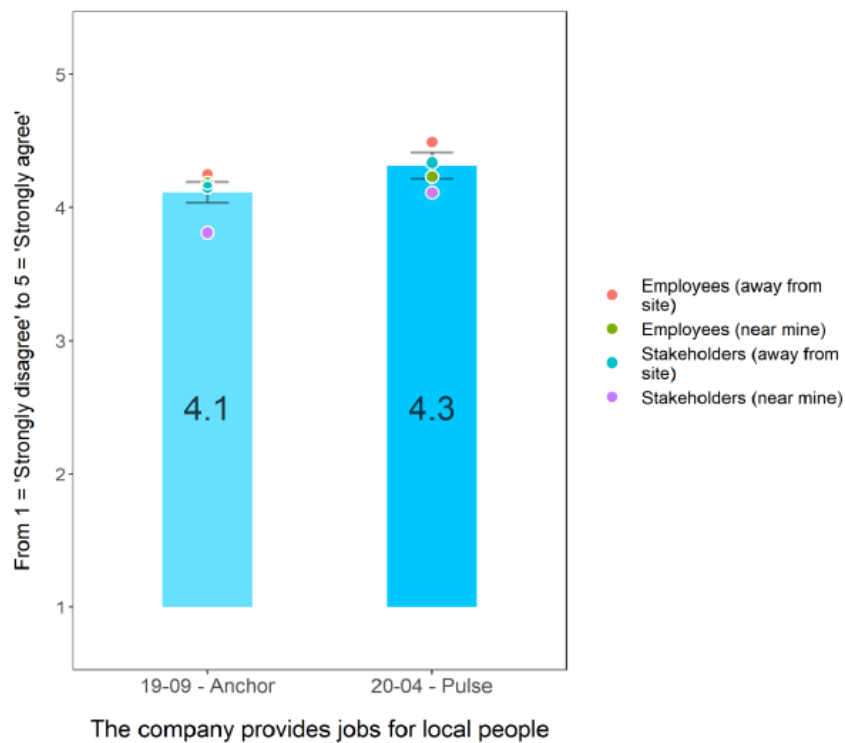


Figure 10. Comparison of Local Voices Anchor and Pulse Survey Results – Jobs for local people

Local Voices data also provides a clear indication of the community's strong views against FIFO, with the Anchor Survey finding that 75% of respondents believing that FIFO employment has negative impacts for local communities (Figure 11).

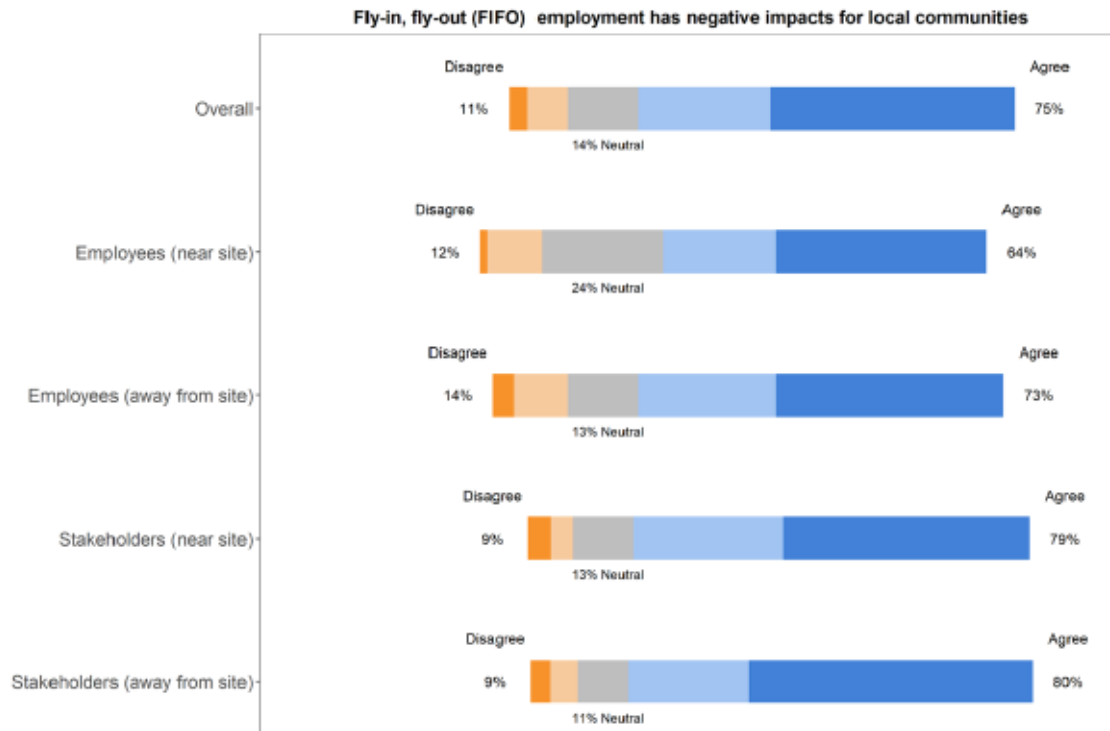


Figure 11. Local Voices Anchor Survey Results – FIFO employment

Geography	Kalgoorlie-Boulder	
Impact Type	Direct - Positive: KCGM's activities are the predominant cause of this social impact.	
Level of Concern or Stakeholder Interest	●	High: High level of stakeholder interest. The majority of interview participants expressed interest or concern related to this social impact
Relevance	●	Significant: KCGM's decisions and actions have a significant influence on stakeholders' experience of the impact.
Magnitude	●	Significant: Stakeholders experience of the impact has a significant impact on stakeholder's quality of life, livelihood or wellbeing.
Vulnerable Stakeholder	●	Medium: Experienced by a stakeholders at risk of becoming vulnerable
Stakeholders most affected by or vulnerable to the social impact	<ul style="list-style-type: none"> Local businesses Local KCGM employees and potential future employees (e.g. youth) 	

Opportunities for KCGM:

For KCGM to enhance the positive local impacts surrounding local employment and economic growth, it should consider the following opportunities:

1. Develop, communicate and transparently report on a KCGM Local Employment Policy.
2. Refresh the local apprenticeship and traineeship program to encourage local youth to remain and work locally. All applicants for trainee and apprenticeship positions should be required to have lived locally. Where direct employment is not possible, stakeholders raised the possibility of KCGM providing some training and apprenticeship opportunities, or hold guest speaker sessions at the local schools, to help young people understand the employment pathways that they may want to take in the future.
3. Communicate the residential employment policy and periodically communicate the number of employees and contractors who live locally to directly address the uncertainty around FIFO and its perceived impact on residential workforce.

Priority Impact 2: Environmental impacts reduce quality of life



Summary of Results

Social Impact Area Definition: 'Reduced quality of life'

The effects of blasting vibration, noise and dust associated with mining activities, leads to anxiety and/or reduces amenity and thus affecting the quality of life for near mine residents.

Nature of Social Impact:

The presence of KCGM's mining operations on the border of residential and industrial areas of Kalgoorlie-Boulder means that local residents experience the blasting vibration, noise and dust associated with mining activities. There is a general public consciousness that KCGM's mining activities occur on Kalgoorlie-Boulder's doorstep, with one stakeholder commenting *"I think if they come any closer to the town, the buildings will start falling into the hole."*

For many people, effects such as vibration and noise appear to have minimal impact on their quality of life and they accept them as part of living in a 'mining town', for example:

"Majority of the town are impacted, because the mine has been around so long people tolerate the impacts, a new mine would not be able to be so close to the town. People are used to it ... It's a constant reminder about being in a mining town."

Blasting in particular, however, has a significant impact on some residents' quality of life – especially near mine residents in Boulder and Williamstown. Williamstown residents expressed concerns around current blasting, stating, for example:

"Blasting is noisy, it's quite concerning when you are sitting at home and relaxing, it knocks things off the table sometimes. It feels like someone is building a house next door to you. Sometimes the blasts are late. Sometimes it's bad ... The residents of this area just want to live a normal life."

"I don't know how to mitigate these impacts, I am not a miner. It affects our quality of life."

Local stakeholders generally have a strong awareness and understanding of environmental impacts associated with KCGM's mining operations, as the mine has consulted and educated the local community on environmental issues over the last thirty years. The areas of environmental concern raised most frequently by stakeholders, were issues around blasting vibration, noise and dust.

"Ever since I have lived in Kalgoorlie you notice that there is a fine dust on everything, you don't have outdoor furniture or you wipe it down when you want to use it"

Stakeholders generally felt that the mine had been transparent about the timing and effects of blasting, documents concerns raised by residents and manages its amenity effects well, for example:

"Due to the mine's size and proximity to town it manages its impacts the best I have seen, but there are definitely still impacts"

"I think over the years the amenity impacts of mining has been significantly reduced"

Links to other social impacts:

An additional area of impact associated with blasting is:

- **Impact 8. Perceptions that blasting contributes to property damage (negative)**

There is anxiety amongst stakeholders who live close to the mine that vibration caused by blasting contributes to property damage and reduces the values of their property. Stakeholders made the following comments focused on Williamstown:

“Home owners want to be paid out so they can build elsewhere. No one is taking responsibility. Whose responsibility is it?”

The majority of complaints received by KCGM over the 2019 - 2020 period have been related to blasting and claims around possible damage to property. While KCGM investigates each claim with the assistance of a qualified engineer, some stakeholders suggested that the manner in which the mine responds to the home owner is not suitable, for example, because the report is written using ‘generic writing’ that can make it appear that KCGM is not being transparent. The manner in which home owners are communicated with can intensify their experience of negative impacts.

Insights from Local Voices:

The Local Voices Anchor Survey results highlight the diversity of views that members of the community have regarding the topic of blasting and its impact on property, with 21% of near mine employees and 33% of near mine stakeholders (i.e. residents who are not employees of KCGM) believing that blasting by KCGM has damaged their property, compared to the group with the lowest concern for blasting – employees who live away from site (8%). KCGM investigates complaints associated with property damage, often finding its activities have not contributed to property damage, but the result of the Anchor Survey highlights the issue of anxiety from blasting as, ‘where something is perceived it can be real in its consequences.’²³

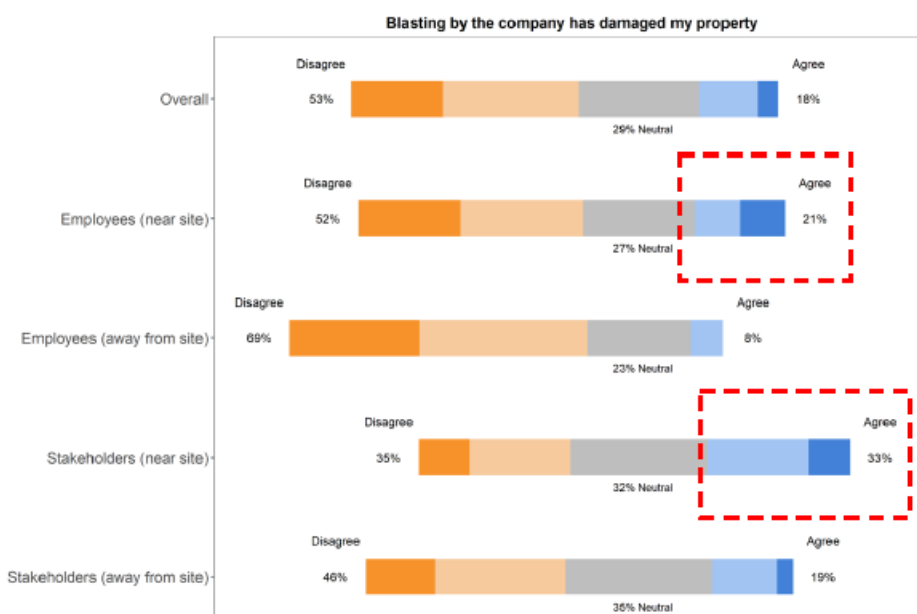


Figure 12. Local Voices Anchor Survey Results – Impact of blasting on property

More generally, the Local Voices Anchor Survey found that respondents frequently agreed that the community is exposed to blasting vibration (61%), but that views regarding dust and noise were more mixed, with approximately two-thirds of respondents indicating they either disagreed or were neutral that KCGM’s activities are linked with dust and noise (Figure 13). These results were largely similar in the Pulse Survey, except in relation to blasting vibration where 61% agreed the company impacted them in this area.

²³ Taylor, C.N., Bryan, C.H., Goodrich, C.G., 2004. Social Assessment: Theory, Process and Techniques. 3rd edition. Social Ecology Press.

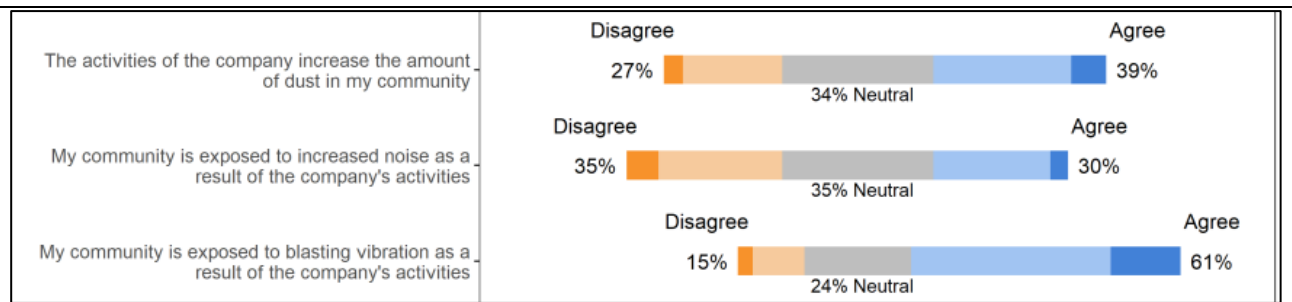


Figure 13. Local Voices Anchor Survey Results – Environmental factors – dust, noise and blasting vibration

A particularly striking result from the Local Voices surveys, however, is that while residents clearly experience negative environmental impacts, they also believe that KCGM is managing those impacts well. Figure 14 shows that even amongst near mine residents there is a positive view of how impacts are managed.

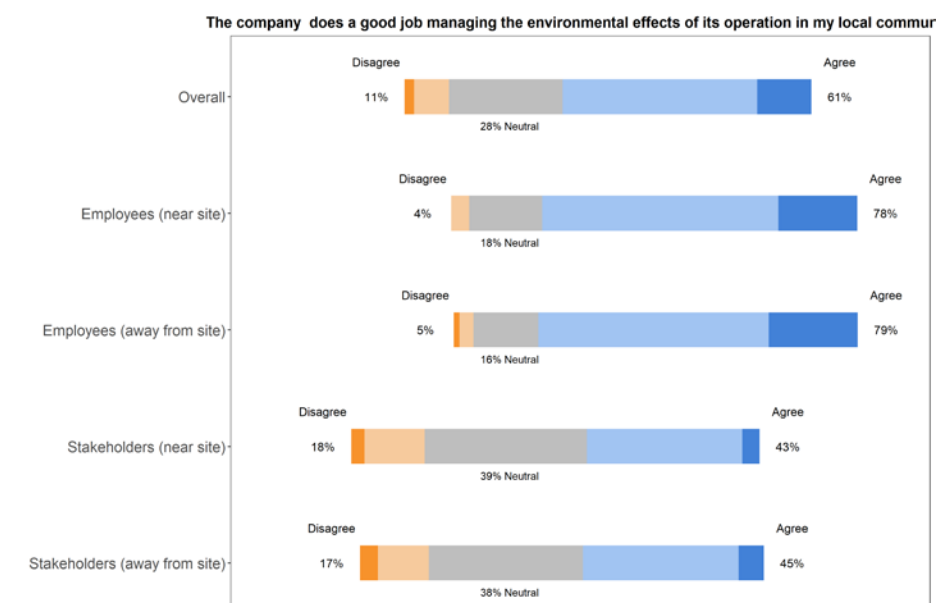






Figure 14. Local Voices Anchor Survey Results – 'company does a good job managing environmental effects of its operation in my local community'

Geography	Near Mine	
Impact Type	Direct - Negative: KCGM's activities are the predominant cause of this social impact.	
Level of Concern or Stakeholder Interest		Moderate: Moderate level of stakeholder interest. A range of stakeholders expressed interest or concern related to this social impact.
Relevance		Significant: KCGM's decisions and actions have a significant influence on stakeholders' experience of the impact.
Magnitude		Significant: Stakeholders experience of the impact has a significant impact on stakeholder's quality of life, livelihood or wellbeing.
Vulnerable Stakeholder		High: Experienced by several groups of vulnerable stakeholders.

**Stakeholders
most affected by
or vulnerable to
the social impact**

- Near mine residents of Williamstown and Boulder.
- Surrounding Kalgoorlie-Boulder residents.

Opportunities for KCGM:

Quick wins for KCGM include ongoing transparent communications around current environmental issues regarding blasting, dust, noise and other air quality impacts, doing so would maintain and restore trust levels with near mine residents. Further key recommendations include:

4. KCGM should communicate clearly regarding the future plans for all areas disturbed by mining activities and related infrastructure.
5. Review the current property damage assessment process, including the process of engaging with concerned residents, and communicate publically how KCGM will approach this process in the future. Clearly communicate any criteria that will be considered for property purchases, should any be necessary for any future expansions.
6. If complaints regarding blasting and property damage escalate, consider further study of the environmental impacts on Williamstown residents to gauge and understand the possible human related risks associated with the KCGM operations;
7. Introduce an amenity effect programme to provide cash or in-kind benefits to residents unduly affected by mining activities; and
8. Develop and publicly commit to a long-term strategy for Williamstown.

Priority Impact 3: Uncertainty about future mining activities



Summary of Results

Social Impact Area Definition: 'Future uncertainty'

Change in company ownership, in combination with limited communication, visibility and transparency from KCGM, has led to increased levels of local uncertainty regarding KCGM's plans for the future, and thus future of the community.

Nature of Social Impact:

As highlighted by impacts such as *Impact 1. Support of local employment*, there is a high level of perceived reliance on KCGM by the Kalgoorlie-Boulder community. As one stakeholder stated, there is an "age old belief that if the mine closes the town will close". While this level of fear is not held by all stakeholders, the slip in the Fimiston Pit in 2018, combined with changes in ownership in 2019-20, has led many in the community to wonder about KCGM's plans for the future, and how these plans will influence the wellbeing and future of the community. Uncertainty about KCGM's future mining activities is thus a key social impact.²⁴

Areas of uncertainty include future mining operations; future employment opportunities (as discussed in *Impact 1. Support of local employment*); and future contributions to the community in terms of funding and grants (see *Impact 6. Provision of local funding and grants*).

Many stakeholders interviewed suggested that there had been substantial communications at the time of the sale (late 2019 to early 2020), as highlighted in Box 2 below, which illustrates that when asked how informed they felt about the change in owners, 51% of community engagement participants responded that they felt either 'informed' or 'very well informed' about the new owners. These communications, however, are felt to have since become less frequent. This lack of recent communication has led to uncertainty, for example, one stakeholder explained that the level of consultation and transparency from the new owners is:

"Since the transaction happened we haven't seen much, [we] get the odd story in the Kal Miner, the other day we saw about the local grants"

"[it's] up and down, they are tight lipped about the future. People know they would not have invested in the mine if they didn't know or plan to grow and expand. It's more about communication and what their plans are."

Many stakeholders indicated that they are interested in knowing what KCGM's plans are because of the potential positive implications for the community as a whole, for example, as seen in the request for KCGM to "keep the commitment to extending the life of mine and being an active contributor to the economy". Others are concerned about how it might affect them individually in a negative way, for example, "people think to themselves 'What's next, what's next, is it going to impact me?'". Finally, given the close connection between KCGM and Kalgoorlie-Boulder, "people feel they have a right to know what is going on in their backyard."

²⁴ The change in ownership from US and Canadian listed companies, to ASX listed companies, is also a potential factor here. KCGM was a small piece of Newmont and Barrick's overall operations, and as a result individual changes at KCGM were not frequently material to each company's overall performance. KCGM is a much larger part of Saracen and Northern Star, and as a result operational changes at the mine will in some cases be material to each company, which in turn requires a higher level of internal scrutiny of any public announcements by the mine.

Most stakeholder's shared that they receive much of their information on KCGM's plans from their friends and family members who work for KCGM, which may also indicate why some stakeholders felt more confident about KCGM's future than others.

Links to other social impacts:

An additional area of impact associated with uncertainty is:

- **Impact 11. Lack of transparency around KCGM commitments (Negative)**

Due to the recent change in ownership, the previous KCGM standards and procedures focused on aspects such as employment, procurement and community contributions are in the process of transitioning to new standards. This period of transitioning to new standards and policies has added to the levels of uncertainty being experienced by stakeholders.

Reoccurring themes throughout the stakeholder engagement was of the need for transparency:

"It's about transparency, they are a big part of this community. How do they align with community needs, how are they going to reduce the issues, what's their goal? I don't have a clear picture on what their longer term plan is. It comes back to communication and transparency".

Reflections such as these suggest that stakeholders feel there is a lack of clarity on how the mine will make decisions in the future, and this is concerning for local residents, suppliers who rely on the contracts with KCGM and employees.

Insights from Local Voices:

While the Local Voices Survey does not ask specifically about topics such as uncertainty about the future, the Anchor Survey results suggest that the community does not believe that there is good planning for the future of Kalgoorlie-Boulder, with more people in each category disagreeing than agreeing that there is good planning, and almost half of respondents indicating a neutral view point (Figure 15). This result, when combined with the common view that Kalgoorlie-Boulder is heavily reliant on KCGM's presence, highlights the potential for uncertainty about KCGM's future plans to have a negative impact on community members.

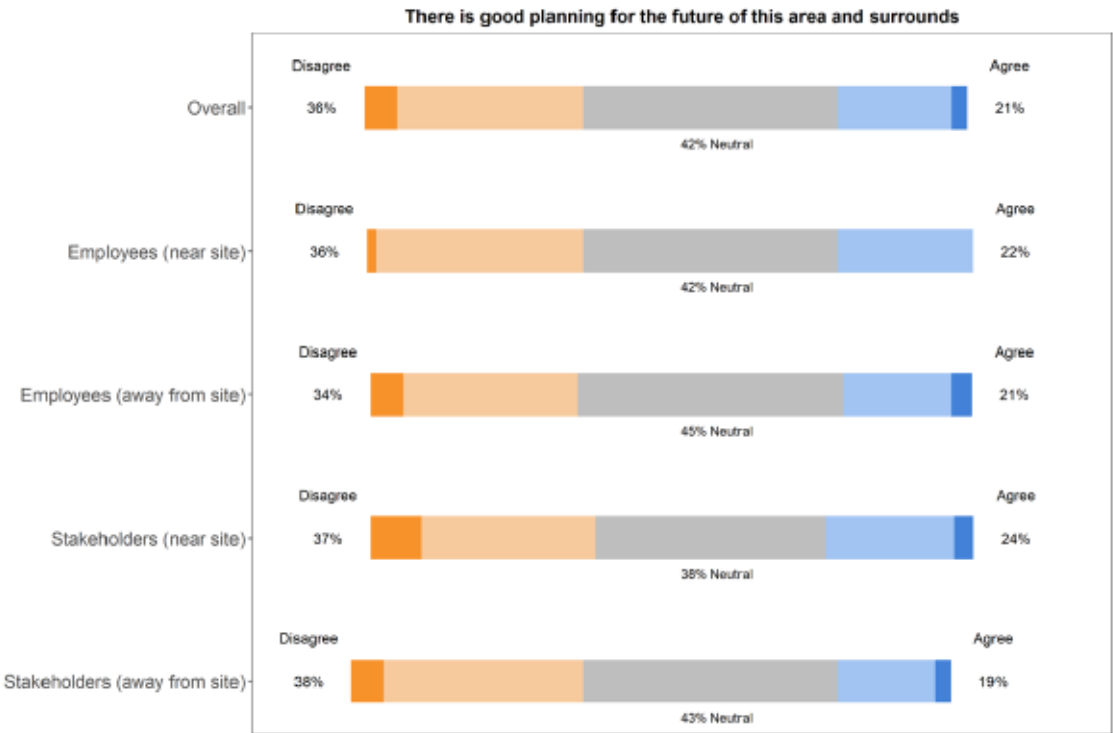






Figure 15. Local Voices Anchor Survey Results – Planning for the future

Impact Type	Direct - Negative: KCGM's activities are the predominant cause of this social impact. The impact is largely perception based.	
Level of Concern or Stakeholder Interest		High: High level of stakeholder interest. The majority of interview participants expressed interest or concern related to this social impact
Relevance		Significant: KCGM's decisions and actions have a significant influence on stakeholders' experience of the impact.
Magnitude		Noticeable: Stakeholders experience of the impact has a noticeable impact on people's quality of life, livelihood or wellbeing.
Vulnerable Stakeholder		Medium: Experienced by a stakeholders at risk of becoming vulnerable
Stakeholders most affected by or vulnerable to the social Impact	<ul style="list-style-type: none"> • Near mine residents (E.g. Williamstown and Boulder residents) • Kalgoorlie-Boulder residents (E.g. Interested stakeholders) • Local businesses (E.g. Local businesses who supply KCGM with goods or services) 	

Opportunities for KCGM:

KCGM has a good foundation of trust and goodwill in the community and this is a strong way to enter into the next stage of the mines life with the new JV owners. Trust can be maintained and further strengthened when stakeholders feel involved in articulating a common vision for their future. Therefore it is advised that:

9. KCGM conduct transparent communications on the future plans for the mine;
10. Review the Community Engagement Plan to align with new standards and procedures; and
11. Develop and publish data on key community and environment-focused commitments and goals. Publish an annual KCGM Transparency Report so that all interested stakeholders obtain the levels of information they need.

Box 2. How informed do stakeholders feel about the new JV owners?

During the stakeholder engagement process, stakeholders were asked to reflect on how informed they felt about the change in KCGM's owners (Figure 16). Responses to this quantitative question found that 56% (n=9) of participants felt either 'informed' or 'very well informed' about the change, while 25% (n=4) of participants felt they were 'somewhat informed'. No participants responded with 'not at all informed', although one participant answered the question by saying "it doesn't matter, that name means nothing to me".

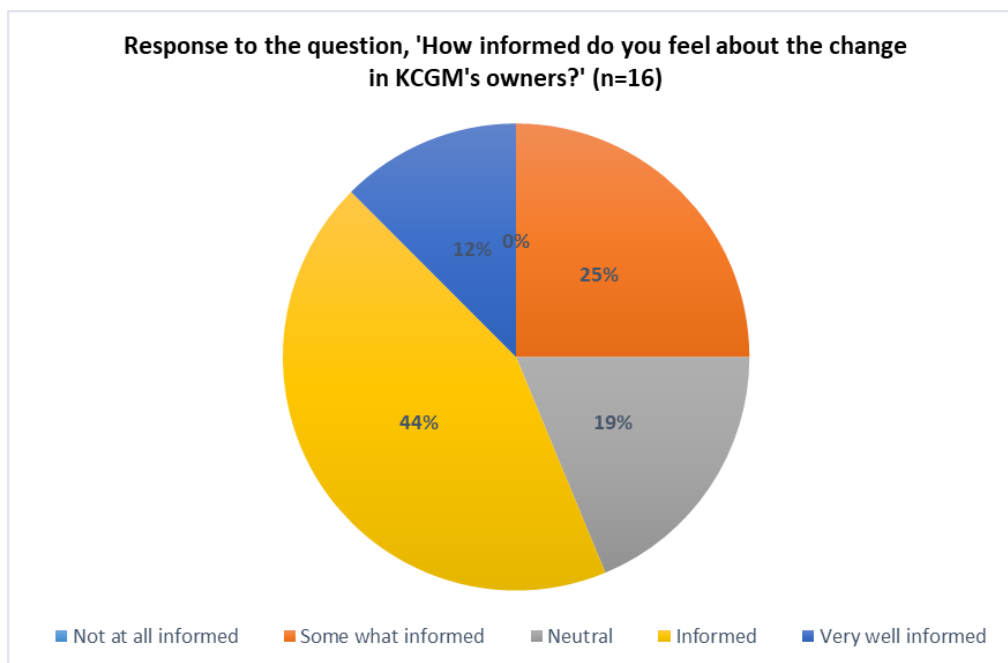


Figure 16. Stakeholder knowledge of new owners (n=16)

The reasons for participants' responses varied, however, there was a common view from those who felt informed that there had been substantial media on the sale, for example,

"It was heavily informed right at the start when it first happened – in the media, it was all media driven, just in the newspaper, and it will pop up on Facebook about the new owners."

"My point of view - a 4 [informed], they have done a good job of telling us who they are the bosses are local graduates, been in the newspaper, they are seen as Kal boys, taking over a Kalgoorlie mine".

Of those who did not feel well informed, some indicated that they were aware there was something new regarding the ownership but couldn't share further details other than knowing the new owners are Australian, for example, saying "don't really know much, know they are local, that's all". In one case, a stakeholder assumed that KCGM still had ties to America (i.e. Newmont is based in the USA).

While media regarding the sale and new owners was felt to be good, stakeholder's responses indicated that they get much of their information about KCGM from their friends and family members who work for KCGM – this can be a fast method of communication but means that stakeholders may receive misinformation or information that is not public knowledge.

Throughout the stakeholder engagement, it was common to hear requests that KCGM make themselves more visible in town, for example, via a store front:

"I feel the public don't have a visibility ... the store front is gone ... they are now on site, not readily available and not accessible to the public. Community engagement is not the same anymore."

Priority Impact 4: Insufficient support of Aboriginal employment and procurement



Summary of Results

Social Impact Area Definition: 'Aboriginal Participation'

The low level of Aboriginal employment and procurement from local Aboriginal businesses, by KCGM, fails to maximise the benefits for Aboriginal community.

Nature of Social Impact:

As referenced in the Social Baseline (Section 3.2), Kalgoorlie-Boulder has a strong resident Aboriginal population, despite this, it understood that Aboriginal representation in the current KCGM workforce is less than 5%. Under its previous owners, KCGM had a number of policies and procedures in place addressing various elements of Aboriginal participation, and these documents are in the process of being updated by the new owners.

In order to inform this process of updating standards and policies, KCGM carried out an internal review process to develop an Aboriginal Engagement Strategy (AES), a summary of which was reviewed as part of this SIA process. The strategy envisages a significant increase in company focus on strengthening and developing relationships with Traditional Owner groups and Aboriginal organisations. It also envisages a stronger commitment to improving levels of Aboriginal employment at KCGM, and use of Aboriginal suppliers.

This refresh of standards and commitment would appear to be necessary, with some stakeholders expressing a strong view that the current levels of involvement of local Aboriginal employees, businesses and suppliers needs to be improved on, and that KCGM has the opportunity to assist in developing and growing the capacity of individuals and small businesses to help them meet the employment and supplier needs at KCGM. During the stakeholder engagement process, for example, it was stated that:

"I don't know they if they have one, if they don't I would like to see them have a program to employ more local Indigenous people to possibly combat the homelessness and current socio-economic situation"

"Focus on employing Aboriginal and Torres islander population – the lens of inclusion is great."

The stakeholder engagement process shed light on some concerning issues within the local community, particularly that there are underlying struggles associated with racism and a general dismissal of Ninga Mia and Boulder Camp areas. Stakeholder's emphasised that:

"Many local Indigenous people do not feel welcome or welcomed by their own town. They often don't know or understand how and where to access to services and assistance that they need."

"Racism is an issue – particularly after government shut down some local communities – they have nowhere else to go – it has brought trouble in to town."

Issues associated with racism and broader social issues was reflected on by one stakeholder who described the current Kalgoorlie-Boulder population as *"having two communities living parallel but largely invisible to each other"* and *"there is a full time Aboriginal community in town struggling to get a voice."*

Links to other social impacts:

Because this impact cuts across several other impact areas, and because of the potential for it to have very long-term impacts on both the community and the company, it is discussed further in Chapter 6. There are two additional areas of impact associated with insufficient support of Aboriginal employment and procurement is.

- **Impact 6. Native Title commitment and relationships (neutral)**

Support for Aboriginal participation is closely linked to KCGM's Native Title Commitment as creating lasting relationships with the relevant claimant groups will assist in identifying individuals and fostering relationships for Aboriginal employment and procurement opportunities.

- **Impact 11. Lack of transparency around KCGM commitments (negative)**

The current lack of transparency around KCGM's process of transitioning to new commitments and standards makes it difficult for Aboriginal stakeholders to understand KCGM's vision and goals around Aboriginal participation and the ability to for stakeholders to identify opportunities for involvement in training, employment pathways, procurement and community investment benefits.

Insights from Local Voices:

The Local Voices Survey asked participants whether they feel KCGM provides employment opportunities for local Aboriginal people. The results suggest that KCGM employees feel more positively than non-employees about the extent to which KCGM provides these opportunities, but there is an overall positive view with 76% of respondents agreeing that KCGM provides employment opportunities for local Aboriginal people) (Figure 17). This result clearly suggests that, the community believes KCGM offers employment opportunities for Aboriginal people which needs to be considered in the context of the less than 5% of the workforce which declares themselves Aboriginal.

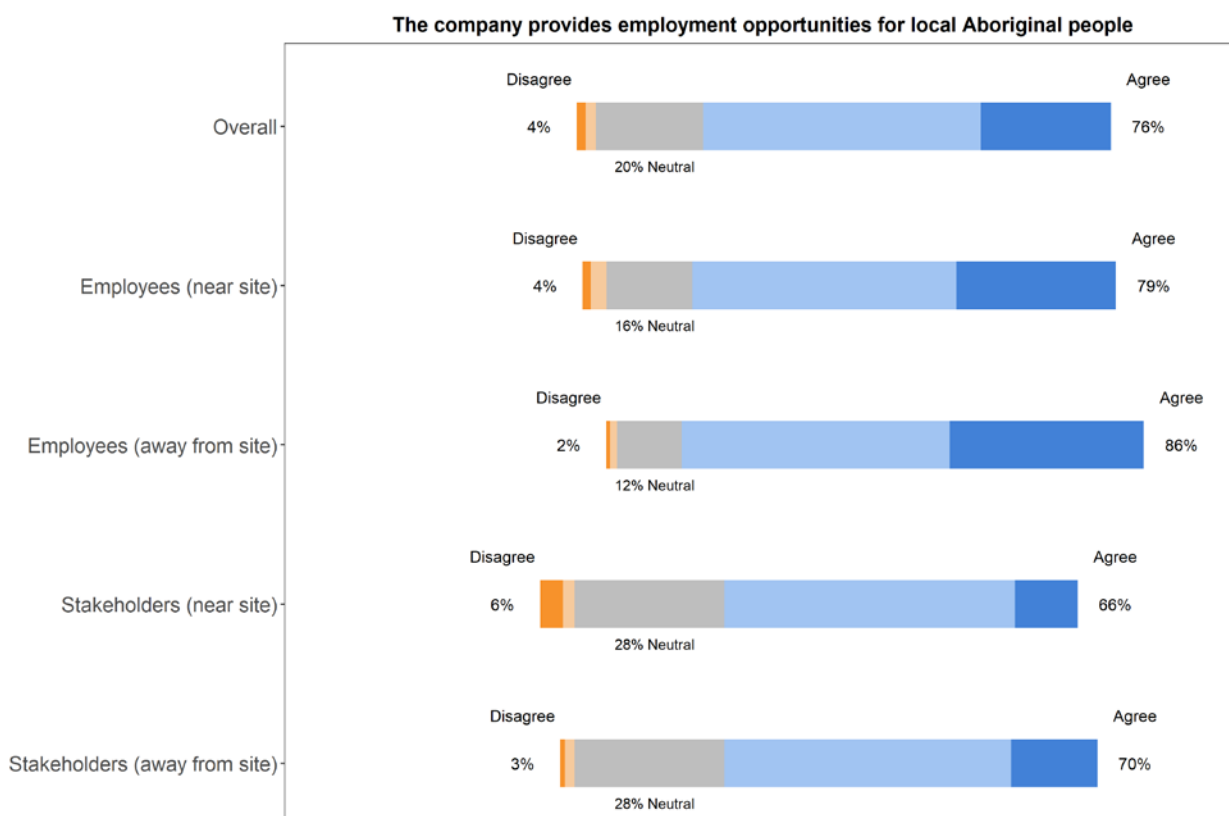






Figure 17. Local Voices Anchor Survey Results – Employment opportunities for local Aboriginal people

Geography

Kalgoorlie- Boulder

Impact Type	Direct - Negative: KCGM's activities are the predominant cause of this social impact.	
Level of Concern or Stakeholder Interest		Moderate: Moderate level of stakeholder interest. A range of stakeholders expressed interest or concern related to this social impact.
Relevance		Significant: KCGM's decisions and actions have a significant influence on stakeholders' experience of the impact.
Magnitude		Noticeable: Stakeholders experience of the impact has a noticeable impact on stakeholder's quality of life, livelihood or wellbeing.
Vulnerable Stakeholder		High: Experienced by several groups of vulnerable stakeholders.
Stakeholders most affected by or vulnerable to the social Impact	<ul style="list-style-type: none"> • Local Aboriginal youth; • Local Aboriginal businesses; • Maduwongga Traditional Owner Group; • Marlinyu Ghoorlie Traditional Owner Group; and • Ninga Mia residents. 	

Opportunities for KCGM:

It is key for KCGM to better understand the local Aboriginal communities and to support the aspirations of those communities. It should:

12. Effectively implement their Aboriginal Engagement Strategy.
13. Set up an Aboriginal employment programme and build the Human Resources capacity to effectively implement programme;
14. Identify relevant education and/or employment pathway programs for investment.
15. Work with local service providers to create employment and training pathways for young Aboriginal people to find local jobs at KCGM. A stakeholder made the following suggestion for KCGM to contribute towards effective Aboriginal Participation:
16. Set goals for the procurement of goods and services from Aboriginal businesses and build the capacity of the Procurement team and of local Aboriginal businesses to support KCGM to meet their goals.
17. Provide role models to children at East Kalgoorlie Primary School and assist in mentoring school-going children.

Priority Impact 5: Provision of local funding and grants



Summary of Results

Social Impact Area Definition: 'Funding and grants'

KCGM supports local organisations and community infrastructure through funding and grants.

Nature of Social Impact:

KCGM currently invests in a range of community initiatives both locally (Kalgoorlie-Boulder) and regionally (the Goldfields) on an ad hoc basis. Stakeholders commonly viewed KCGM as being supportive of local and regional community groups, events and sponsorships. In particular, they cited KCGM's support of the annual St Barbara's Parade, sponsorships to the local sporting clubs, and educational sponsorships and donations to local schools and students, as well as its support of other local festivals and small community initiatives. In addition, KCGM recently partnered with the Kalgoorlie-Boulder Chamber of Commerce and Industry (KBCCI), Northern Star and Saracen to support small businesses affected by COVID-19²⁵ by providing them with small grants. The company currently contributes to a range of community activities through sponsorships and donations. The community investment activities that KCGM undertook over the 2019 period totalled to \$970,200.00 of community contributions. The community investment spend projection for 2020 is \$950,000.00.

Overall, there was a strong sentiment from stakeholders that the contributions that KCGM provides are genuine, not driven by a branding motive, and extend beyond a purely financial investment. Stakeholders commented, for example, that:

"KCGM supports local schools, there is a strong connection between mine and local community. The children know who they are. School excursions are great for the children, good for tourism and good for the community to learn more about mining. The financial contributions of the mine to community are great."

"KCGM are always present, they sponsor the international women's day and youth events. KCGM help when they can, sometimes it's just volunteering. There are great quality employees coming into Kalgoorlie and integrating and that's what I want to see more."

Stakeholders were generally appreciative that KCGM are approachable when targeted for sponsorships and donations. Some, however, flagged that while there have been some significant contributions in the past, the current approach to community investment lacks strategy and transparency, and can be difficult, for example:

"I haven't applied for any current funding with KCGM. It is a difficult process. Applying for funding with KCGM is a fairly complex written process. I have applied for funding with several different mine sites, KCGM is tricky"

In addition, stakeholders who are involved in youth, health and education services, often saw significant opportunities to partner with KCGM to address the significant socio-economic issues that they see in the community, for example:

²⁵ <https://www.goldindustrygroup.com.au/news/2020/4/29/gold-grants-for-kalgoorlie-businesses>

"We are trying to get a strategic plan to address these [social] issues, it would be great if KCGM can be in a partnership to maximise impact and finally address and improve life outcomes for people ... A clear long term plan for funding, is it in the right places? KCGM need to make that plan public. It's unfortunate you see the big pit and the money that comes out, its mind boggling to see the issues we still have in our community. It would go really well for KCGM's profile to really understand the issues the local organisations are trying to address."

One factor that appeared to reduce the positive impact that KCGM's funding and grants have on the local community, in terms of how people feel about the mine's contribution, was a lack of communication by KCGM about what it supports and how much it contributes.

Links to other social impacts:

The positive impact associated with community funding and grants is linked to:

- **Impact 9. Support for tourism infrastructure (neutral)**

The flip side to the positive social impacts associated with local funding and grants is the negative social impact associated with uncertainty about the future of infrastructure such as the Hannan's North Tourist Mine and the Super Pit Lookout. This uncertainty is in part a result of the recent sale, as stakeholders are uncertain about if and how the new owners will support this infrastructure in the future.

The Hannan's North Tourist Mine and the Super Pit Lookout are two pieces of infrastructure that hold a significant amount for emotional and economic value to the community, for example:

"Hannan's North Tourist Mine – the community are concerned ... Will the commitment be the same or different now with new owners? ... The community think they own it and think they should have access to it."

"Tourists come to see the Super Pit - that is one of the main reasons they come here. They don't have to come into Kalgoorlie but I believe a lot of people do see the Super Pit and go on a mine site tour"

Insights from Local Voices:

The Local Voices Survey results support the results of the community engagement conducted for the SIA, showing that 72% of respondents agree that the social investment activities undertaken by KCGM have had a positive impact on Kalgoorlie-Boulder. At the same time, the community has high expectations of the mining industry in general, with only 10% of respondents agreeing that community investment is not the role of the industry. KCGM is viewed by almost half of respondents (49%) as doing a better job investing in the local community than other mines, although 39% of respondents indicated a neutral view. Together, these results support the positive impact that KCGM's local funding and grants have, as well as the community's strong views on the future role they would like KCGM to have in continuing to support local tourism infrastructure.

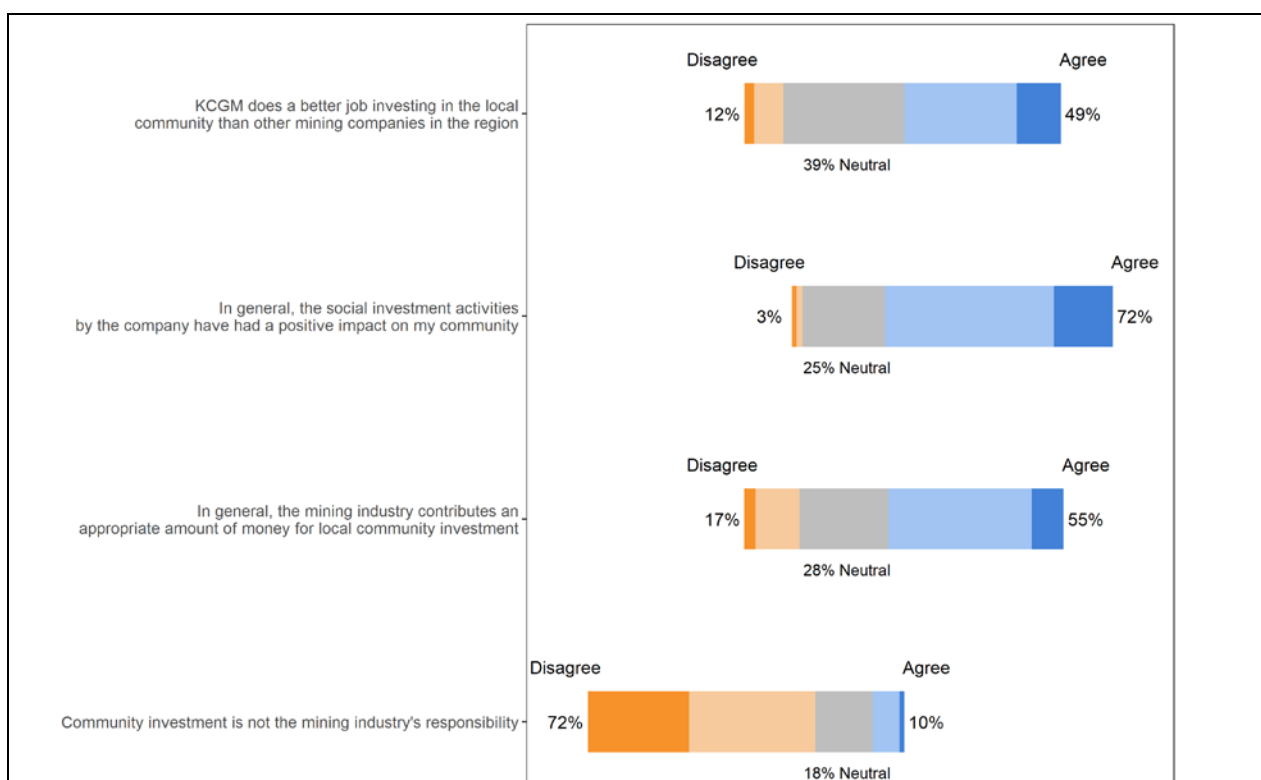






Figure 18. Community views on community investment

Geography	Kalgoorlie-Boulder	
Impact Type	Direct - Positive: KCGM's activities are the predominant cause of this social impact.	
Level of Concern or Stakeholder Interest		High: High level of stakeholder interest. The majority of interview participants expressed interest or concern related to this social impact.
Relevance		Noticeable: KCGM's decisions and actions have a noticeable influence on stakeholders' experience of the impact.
Magnitude		Marginal: Stakeholders experience of the impact has a marginal impact on stakeholder's quality of life, livelihood or wellbeing
Vulnerable Stakeholder		Medium: Experienced by a small number of vulnerable stakeholders.
Stakeholders most affected by or vulnerable to the social Impact	<ul style="list-style-type: none"> • Low socio-economic population of Kalgoorlie-Boulder • Current grant and funding beneficiaries. • Local community organisations. 	

Opportunities for KCGM:

In order to have long-term, sustainable benefits, funding and grants need a strategic basis. KCGM's ability to maximise the value of its community contributions can be enhanced through partnerships with local government, neighbouring mines and local community organisations. KCGM should:

18. Develop, publish and transparently report on a Community Contributions Strategy to inform all local donations, sponsorships, and community investment;
19. Develop a sustainably planned approach for future investments.
20. Create partnerships with other mining companies and community organisations to enhance the positive impacts experienced by the community. Collaboration to build on existing regional priorities (medium-long term); and
21. Focus on areas where the mine can invest in leaving a positive social legacy, such as vocational education, or other services provision and skill development.

4.2 Applying the social baseline to the analysis of social impacts

The social baseline presented in Chapter 3 provides the basis for analysing and prioritising the social impacts presented in Chapter 4, as well as designing and implementing management strategies (see Appendix B for considerations for recommendations and opportunities).

In particular, the social baseline highlights three key aspects that contribute to KCGM's operating context, these are:

1. Kalgoorlie-Boulder is currently experiencing population decline (Figure 5);
2. There is a marked difference in the socio-economic status between near-mine residents and the remainder of Kalgoorlie-Boulder, with near-mine residents experiencing higher rates of socio-economic disadvantage (Figure 6); and
3. There is a strong perception that Kalgoorlie-Boulder is highly reliant on KCGM (Section 3.3. Town Identity).

These three aspects, together with the recent change in KCGM's ownership, help to interpret the findings of this SIA.

Three of the social impacts are **highly positive**, these are:

- Impact 1. Support of local employment;
- Impact 5. Provision of local funding and grants; and
- Impact 12. Support to local industry.

These impacts highlight the key role that KCGM has played in the economy and history of Kalgoorlie-Boulder to date, and the community's high expectations that it will continue to provide these benefits in the future.

Four of the social impacts are in part **perception based** - these are:

- Impact 3. Uncertainty about future mining activities;
- Impact 7. Fear of increasing FIFO Employment;
- Impact 9. Support for tourism infrastructure; and
- Impact 11. Lack of transparency around KCGM commitments.

Each of these impacts is in part influenced by the recent change in ownership, which means the community is still finding out about the new owners' views and commitments regarding aspects such as maintaining a residential workforce and contributing to community investment. At the same time, the nature of these impacts as perception-based means that management strategies need to focus not only on the issue (i.e. levels of residential employment) but also the community's understanding

of the issue (i.e. communications regarding KCGM's expectations and plans for its future workforce). It also means that the ability to address these impacts will be significantly impacted by whether stakeholders **trust** KCGM as an organisation, and in their ability to do the right thing by the community in the long run. The issue of trust as an enabling factor is discussed further in **Chapter 6**.

Two of the social impacts are experienced in particular by **near-mine residents**, these are:

- Impact 2. Environmental impacts reduce quality of life; and
- Impact 8. Perceptions that blasting contributes to property damage.

As described in Section 3.2, near-mine residents are more likely to have lower SEIFA scores (Figure 6), to be poorer and older, and to own their own house (Table 12). These factors make them vulnerable, and thus require additional support – regardless of whether mining operations occur within the allowed noise and vibration limits.

Finally, **two** of the impacts are focused on opportunities for and relationships with **Traditional Owners and the Aboriginal community** of Kalgoorlie-Boulder, these are:

- Impact 4. Insufficient support of Aboriginal employment and procurement; and
- Impact 6. Native Title commitment and relationships

Because of the significance of these impacts as well as their potential for very long-term impacts on both stakeholders and the company alike, in part due to the vulnerability of the Aboriginal community (highlighted in Section 3), these impacts are discussed further in **Chapter 6**.

4.3 Comparison with 2016 SIA results

There are a number of impacts identified above which are consistent with impacts identified in the 2016 SIA, and those are highlighted in Table 15. The support for local employment opportunities and the effects of blasting and other environmental activities were discussed as significant impacts in both the 2016 and 2020 SIAs. However, town planning and community cohesion featured as key stand-alone impact areas within the 2016 SIA, but was a less prevalent issue in 2020. The focus on positive local impacts has instead shifted to concern and anxiety about the future of the mine and the perceived impacts that might have on the Kalgoorlie-Boulder region.

The difference in impacts between the two SIAs are largely driven by three main factors:

- As noted in Chapter 3, there has been a significant reduction in Kalgoorlie-Boulder's population, and a very significant reduction in its workforce, over the past 7 years. The sustained nature of that decline was not yet apparent at the time of the fieldwork for the 2016 SIA (which was carried out in the preceding year). Because of this the 2020 SIA has a higher number of impacts related to concerns around FIFO and local employment.



- Since 2018 there has been an escalation in the number of complaints related to operations at the Mt Charlotte underground mine. Because of this there is an increased focus on environmental and property related impacts in 2020 relative to 2016.
- The combination of the slip in the Fimiston Open Pit in 2018, and changes in ownership in 2019-20, has created a greater level of uncertainty in the community with regards to KCGM's future operations. This has created a greater number of impacts related to that uncertainty, and of other impacts which are perception-based rather than because of physical changes in the mine's operations or the wider environment.

Table 15. Linkages between 2016 and 2020 Social Impacts

Social Impacts 2020	Social impacts 2016
Support of local employment (Positive)	Local employment opportunities (Positive)
Environmental impacts reduces quality of life (Negative)	Environmental factors (Negative)
Native Title commitment and relationships (Neutral)	Aboriginal engagement (Negative)
Support for tourism infrastructure (Neutral)	Economic diversity and tourism (Positive)
Support to local industry (Positive)	Business opportunities and procurement (Positive)
Uncertainty about future mining activities (Negative)	-
Insufficient support of Aboriginal employment and procurement (Negative)	-
Provision of local funding and grants (Positive)	-
Fear of increasing FIFO Employment (Negative)	-
Perceptions that blasting contributes to property damage (Negative)	-
Indirect contribution to social issues (Negative)	-
Lack of transparency around KCGM commitments (Negative)	-
-	Community consultation and engagement (Positive)
-	Education and training (Positive)
-	Visual impacts and rehabilitation (Neutral)
-	Community cohesion and social capital (Positive)
-	Sense of identity, history and heritage (Positive)
-	Town planning and residential Interface (Negative)

5. Cross-cutting factors

This section highlights three areas of opportunity and risk for KCGM's consideration as it plans for the future. They are discussed here because they are factors that cut across multiple impacts, as well as on the opportunities for KCGM to enhance positive impacts or address negative impacts.

1. Trust in KCGM;
2. Cumulative impact considerations; and
3. Engagement with the Aboriginal community and Traditional Owners.

5.1 Trust in KCGM

The results of this SIA highlight the positive social impacts that KCGM has on the Kalgoorlie-Boulder community, focused on opportunities for local employment, local procurement, and community investment and the flow-on positive impacts for the community and local economy. At the same time, the SIA has also identified negative impacts associated with quality of life, particularly for near-mine residents; uncertainty about KCGM's future plans and implications for the community, local economy; and low levels of Aboriginal participation, as well as opportunities to enhance commitments and build relationships with Native Title claimants.

The ability of KCGM to influence impacts and how the community experiences those impacts is heavily influenced by whether stakeholders trust the company and the way in which it operates. This is particularly the case for impacts which are 'perception based' – i.e. they are based on a fear of or uncertainty around a particular issue.

Trust is crucial in that it is the factor which determines whether an organisation's stakeholders will allow it to adequately address an issue. In the absence of trust, even well-designed, well-funded and well-meaning attempts at mitigating negative impacts or enhancing opportunities, can be dismissed. Correspondingly, where there is a strong level of trust between an organisation and stakeholders, that relationship can create the necessary space required to develop solutions that work for both the company and its stakeholders.

Trust is the space that is created when stakeholders are willing to give an organisation the benefit of the doubt when something changes. In the context of social impacts, it is the necessary bridge between an impact occurring and a management strategy (such as those identified in Appendix B) being able to be deployed to address that impact.

A number of factors can affect trust. A trust model was developed by CSIRO (Figure 18) in response to the specific challenges of trust in the resources sector. The model identifies three broad and mutually reinforcing factors that contribute to (or done poorly, detract from) trust in a company.²⁶ Those factors are:

- **Distributional fairness** – Do stakeholders feel that they benefit from a company’s operations; how do they feel about the balance between positive and negative impacts; and do they perceive fairness in how benefits are allocated and delivered?
- **Procedural fairness** – Do stakeholders feel as though they have a reasonable voice in the decision-making processes that impact on them, and do they understand the rationale behind a company’s decisions?
- **Contact quality** – Do stakeholders have contact with the company, and in particular is that contact of a high quality?

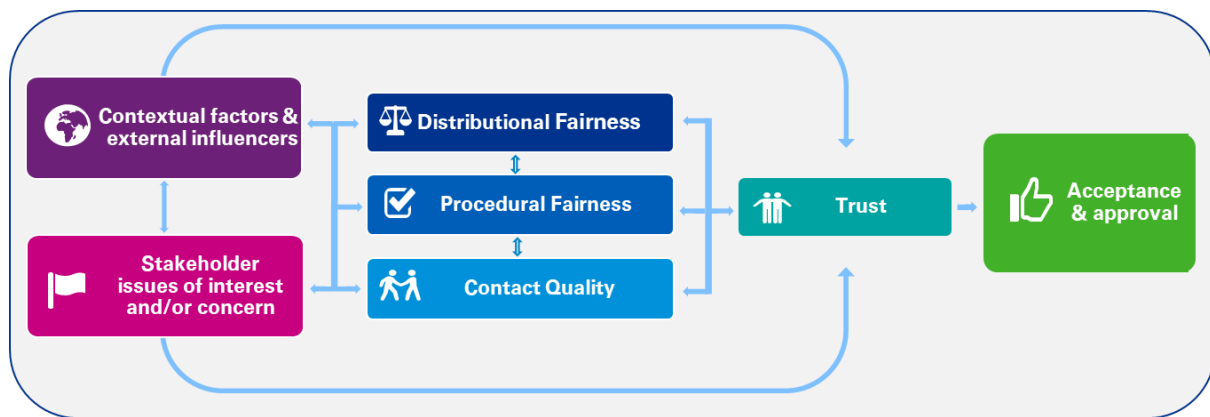


Figure 18. Trust model (Adapted from CSIRO, 2017)²⁷

Understanding, measuring and acting on trust is a significant focus of the Local Voices program that has been adopted by KCGM. In this regard, regular Local Voices surveys provide KCGM with a clear indication of the state of trust between the company and the community. Table 16 shows the results of a number of trust related questions that have been asked during those surveys.

These responses show that survey respondents hold consistently positive views across all aspects of the trust model, and on most questions perceptions of KCGM’s performance have improved in the period between the anchor survey and the pulse survey. Of the three components, questions related

²⁶ J Lacey, S Carr-Cornish, A Zhang, K Eglinton, K Moffat. (Volume 52 June 2017 pgs. 245-254). The art and science of community relations: Procedural fairness at Newmont’s Waihi Gold operations, New Zealand. Commonwealth Scientific & Industrial Research Organisation (CSIRO), Australia and Newmont Asia Pacific, a wholly owned subsidiary of Newmont Mining Corporation, Australia. Elsevier. Available at: <https://www.sciencedirect.com/science/article/pii/S030142071630112X>

²⁷ Ibid.

to procedural fairness are still positive but less so than those related to contact quality and distributional fairness.

Table 16. Local Voices survey results related to trust²⁸

Trust component	Question	Anchor survey (Sept. 2019)	Pulse survey (April 2020)
Distributional Fairness	The company's activities will support the region's future prosperity	3.9	4.2
	In general, the social investment activities by the company have had a positive impact on my community.	3.8	3.8
	My community receives a fair share of the benefits from mining	3.4	3.5
Procedural Fairness	The company listens to and respect my opinions with regards to community needs	3.1	3.2
	The company is responsive to community concerns over the past 3 months	3.4	3.3
Contact quality	The communities team have done a good job at engaging community members about the operations plans	-	3.4
	Contact quality in a professional business context	3.7	3.7
	Overall contact quality	3.8	3.9
Overall Trust	The company has a good overall reputation	3.8	3.9
	How much do you accept KCGM	3.9	3.7
	Trust the company to act responsibly	3.4	3.5

²⁸ Respondents are asked to respond on a 5 point scale – 'strongly disagree' 'disagree' 'neutral' 'agree' 'strongly agree'. In this scale an average score of 2.5 would represent the midpoint of a neutral response. Numbers below that indicate disagreement; numbers above that degrees of agreement.

It is important to reiterate, however, the factors discussed in Section 3.4 – namely, that the Local Voices survey has a high response rate from company employees, and from respondents who do not live near mining operations. Across all of the questions above, respondents who live closer to KCGM's operations and who are not employees of the company, hold consistently less positive views of the company than other groups. On most questions that group of respondents are still more positive than negative about KCGM's performance, though there were a small number of questions where this was not the case.

The first of those relates to the question related to the ability of residents to participate in decisions made by the company which impact on the community, with near mine non-employee respondents to the anchor survey responding more negatively than positively. The second relates to the amount of contact that residents have with the company, with non-employees still indicating that they only have a small amount of contact with the company.

During stakeholder interviews, respondents were asked to explain their high levels of trust in KCGM. The comments below highlight the three factors that influence trust, based on the CSIRO model. Those who felt a high level of trust in KCGM explained that this was because they felt KCGM 'gives back' to the community, they had a good relationship with KCGM employees, or were happy with the level of communication they receive, for example:

"They are part of the community. They see them as being here, they are the biggest mine and the biggest company and they employ local people. That's their biggest thing."

(Distributational fairness)

"My view on it is very positive, especially from an-at-risk youth perspective. How can you not trust a company giving back?" **(Distributational fairness)**

"They seem to be quite transparent, and forthcoming with information if you require it, I believe if you called them and asked for info they would provide it ... [although other than information regarding the goods this supplier provides] I haven't needed to know information"

(Procedural fairness)

"Only because I have that working relationship and sponsorship with them ... well connected to them, if I was in general community I am not sure how I would trust the mine" **(Contact quality)**

At the same time, responses indicate that many stakeholders are willing to give KCGM the benefit of the doubt, for example, one participant who selected "trustworthy", the second highest option stated that:

"They are attempting to communicate. They have had a massive turnover ... it is a moving landscape... nothing is concrete. No one knows when it will settle or what it will look like".

Finally, those who indicated a lower level of trust in KCGM explained that this was due to factors such as past redundancies and concerns regarding FIFO, a lack of relationship with and communication, and the sense that KCGM is a business and must put business interests first, for example:

"Seen a few things in the past that were not nice about redundancies, FIFO coming in to redo the jobs, a lot of families that had to leave town" (Distributational fairness)

"They are a business at the end of the day and are not going to tell you everything. There has to be an element of commercial confidentiality" (Procedural fairness)

"Maybe I am out of the loop [but] you have to have a relationship to have trust. I feel there is still too much divide in this community, how much can you really do for us, we only ring them when we have an event coming up" (Contact quality)

"Do they have Kal's best interests at heart? Yes they are a business, but they can do better and improve on that. They have to communicate a lot more, it comes down to communication" (Contact quality)

5.2 Cumulative impact considerations

Cumulative impacts are the successive, incremental and combined impacts (both positive and negative) of an activity or activities on a community or area, economy and/or the environment. They can arise from the compounding activities of a single operation or multiple mining and processing operations, as well as the interaction of mining impacts with other past, current and future activities that may not be related to mining. In the context of Kalgoorlie-Boulder they are particularly important because while KCGM is – by virtue of the Super-Pit – the most 'visible' employer in the city, they are not the only employer.

Local employment and FIFO considerations

As highlighted in *Impact 1. Local employment benefits*, KCGM's employment of local residents is a key positive social impact and supports a sense of 'distributational fairness' (which is discussed further below) – i.e. that residents feel that they are receiving a fair share of the benefits of mining. This in turn supports trust and thus KCGM's social licence to operate. As a flipside to this, concerns around FIFO highlight the community's sensitivity to any loss of local employment opportunities.

As a company with a residential workforce, KCGM has contributed positively toward local employment and support for local businesses, but at the same time the region has been vulnerable to the effects of FIFO workers. Other mine sites located outside of Kalgoorlie-Boulder have contributed to the cumulative knock on effects of FIFO which has had an impact on the local communities of Kalgoorlie-Boulder. With the current levels of stakeholder fear associated with KCGM and the potential for increases in a FIFO workforce, this can contribute towards a cumulative impact experienced by the residents of Kalgoorlie-Boulder.

Kalgoorlie-Boulder has already experienced a significant out-migration trend over the last seven years and there is fear that this trend will increase as the mining industry continues to see a rise in FIFO as a whole, contributing to loss of social identity and social cohesion within Kalgoorlie-Boulder. The focus on FIFO within the mining industry as a whole acts to increase expectations on KCGM. Residents are

most fearful of KCGM's approach to FIFO because they are the most visible mining company in the community – many stakeholders associate KCGM's continuation with the continuation of the city itself. While the recent change of KCGM's ownership from North American to Australian ownership has been received positively in the community, residents are aware that both of the new JV partners operate mines with FIFO workers. It is possible that this is contributing to an increased fear of FIFO related impacts.

Automation

Automation of operations is increasingly a feature of the West Australian mining industry, and while it has not occurred at KCGM, it is likely that the wider community will be aware of the impact of automation elsewhere in the state. Some of the potential changes that automation can bring about are summarised in Box 3. Automation related changes coupled with potential FIFO impacts has the potential to create an enhanced negative cumulative impact of the local available workforce within the Kalgoorlie-Boulder region.

Potential changes associated with automation include:

- **Different skills will be required:** Improvements in technology will mean that capabilities in data science, communications networks, image processing, cyber security etc. will require ongoing enhancement across the organisation.
- **Jobs will change:** Organisational processes will need to be re-thought to utilise the power of new technologies, which will have commensurate impact on roles and responsibilities. The role of a shift supervisor, for example, may change from managing a whole crew driving trucks, to working with 2-3 people in a control room, managing human and machine interfaces, and optimising performance based on data and analytics.
- **The location of work forces may change:** Automation is making it possible for some jobs to be done at a significant distance from actual mining operations. In these situations FIFO concerns become less relevant, as the job no longer needs to be done locally at all, which will have positive and negative impacts in and of itself.
- **Traditional career paths will be disrupted:** Traditional career paths, which for example assume that employees will move from being "on the tools" to a leadership position, will be disrupted as there will be less people on the tools to start with and fewer site-based roles.
- **Integration of digital and human labour:** Automation of processes (as well as machines) can deliver significant benefits in terms of safety, cost, speed and accuracy. Automation will impact all job categories, including operational roles and support functions.

Box 3. Automation changes experienced by the workforce

While this is not an issue for KCGM at this time, it is one that should be kept under surveillance by the company. The broader move to automation will have complex cumulative social impacts across Western Australia. If those transitions are not managed well there is a risk that current levels of



support for the mining industry as a whole will decline as the industry as seen as shifting benefits from workers to shareholders.

Community investment

With regards to community investment and sponsorships, communities and organisations within the local and regional area benefit not only from KCGM, but also from other mines. This was apparent during the stakeholder engagement process, when stakeholders provided details of other mining companies that have supported them, and compared KCGM's approach to managing and communicating about funding opportunities to other mine's approaches.

This creates an opportunity for KCGM to develop partnerships and collaborate with neighbouring mines to enhance the positive impacts and benefits experienced by the community. This can further develop a sustainable positive cumulative impact for the communities within the Kalgoorlie-Boulder region. A good example of delivering cumulative positive social impacts in this space was the recent partnership between KCGM, Northern Star, Saracen and the Kalgoorlie-Boulder Chamber of Commerce and Industry to provide small grants to local businesses impacted by Covid-19.

5.3 Native Title Commitment

The complex Native Title history in the Kalgoorlie-Boulder area has created challenging landscape for KCGM to navigate and consult with the correct Traditional Owner groups. Weak relationships with Native Title groups can possibly inhibit avenues for local participation in employment, procurement and community investment opportunities. It is key that KCGM build the foundation and establish strong sustainable relationships with all current Native Title claimant groups.

KCGM need to navigate the current ongoing situation carefully and prepare for anticipated changes in the Native Title landscape by expanding relationships to include other Kalgoorlie-Boulder and Goldfields Traditional Owner groups. Factors such as low levels of Aboriginal employment and procurement from Aboriginal businesses, and current weak relationships with local Aboriginal Elders, communities and representatives contributes to the cumulative impact of low Aboriginal engagement and high levels of vulnerability experienced by local Aboriginal people. This could have dire implications on future mine plans and decision making processes for KCGM.

With that in mind the company has developed an internal Aboriginal Engagement Strategy (AES), with the objective of improving relationships with the Aboriginal community and Traditional owners. A summary of the AES is shown in Figure 19. The strategy itself is still being consulted on within the company and will need significant ownership across many different functions, including human resources, procurement/supply, operations, and external relations.

ASPIRATIONS	HORIZONS
<p>Better understand the local Aboriginal communities and to support the aspirations of those communities.</p> <p>Achieve this through defined approaches and targets, underpinned by structure, coordination, guidance and tools to support execution and ensure accountability.</p>	<ol style="list-style-type: none"> 1. Set up the Foundations for successful Aboriginal engagement in the Kalgoorlie-Boulder community. 2. Prepare to support the aspirations of the Aboriginal community 3. Utilise our capabilities and culture to leverage the foundations that have been established to lift the aspirations of the Aboriginal community.

Figure 19. KCGM's Draft Aboriginal Engagement Strategy

Appendices:

Appendix A – Project Methodology

The remote-based SIA methodology will include the following four stages:

Stage 1: Project Start-up

- Conduct a kick off meeting and stakeholder mapping (conducted via phone or Skype) with the KCGM External Relations team to:
 - Confirm objectives, scope, timeline and site contact;
 - Review existing stakeholder mapping and update it based on the engagement Scope; and
 - Confirm the appropriate approach to using remote-based methods of engagement.

Given the need to carry out community engagement remotely, it will be particularly important for the stakeholder mapping process to be thorough and to identify how best to engage with vulnerable stakeholders.

Stage 2: Review of Social Baseline data and document analysis

- Build on the work already carried out for KCGM in order to conduct a desktop review of existing social baseline data and update where required.
- Review existing documents to:
 - Identify gaps in current documentation; and
 - Include new key Local Voices (including initial Local Voices data, pulse survey data and conversation café outcomes) and Community Engagement Plan demographic information.
- Undertake a review of recent, relevant media articles and local social media platforms.
- Build on the existing NVivo™ document analysis.



Stage 3: Stakeholder Engagement

- Conduct stakeholder engagement remotely through the following steps, using tested KPMG technology platform, Facilitator View, alongside Slido and Skype for Business:
 - Five targeted phone interviews with key internal representatives from KCGM, including those who are able to act as a proxy for key community groups;
 - Ten targeted phone interviews with key stakeholders (including community members, business owners, suppliers and service providers, representatives from key institutions and a detailed internal discussion with KPMG's AES team to debrief and integrate key findings); and
 - Three participatory digital workshops with groups of four to six participants representing key community members and other stakeholder groups, and employees.
- Analyse the stakeholder engagement data, continuing to build on the existing NVivo™ analysis.

Stage 4: Impact Validation and Reporting

- Prepare a Draft 2020 KCGM Social Impacts Register (Excel template).
- Prepare for and conduct a digital Validation Workshop with members of the KCGM External Relations team to validate and prioritise the social impacts included in the 2020 KCGM Social Impacts Register and identify social impact management strategies for inclusion in the SIR.
- Draft the 2020 KCGM SIA report and SIR, obtaining one round of consolidated feedback from the KCGM External Relations team.
- Finalise the 2020 KCGM SIA report (PDF) and final Draft SIR (Excel).
- Conduct a close out meeting with the KCGM External Relations via phone or Skype.



Appendix B – Draft Social Impact Register

The Draft Social Impact Register in Table 17 provides a summary of the social impacts identified through the 2020 SIA as well as recommended mitigation measures, for KCGM's consideration, to support or enhance positive social impacts and avoid, mitigate or manage negative social impacts.

The recommendations should be considered options (hence this register remains a draft), for review and adoption by KCGM, based on those mitigation measures that are considered appropriate and practical given KCGM's current operating context. Chapter 4 provides key context and further detail on the mitigation measures summarised below.



Table 17. Draft Social Impacts Register

Social Impact	Definition of social impact	Recommended mitigation measures for consideration
1. Support of local employment (Positive)	KCGM provides substantial local employment opportunities, which has a positive flow on effect for the community and local economy.	<ol style="list-style-type: none"> 1. Develop, communicate and transparently report on KCGM's commitments regarding residential employment. 2. Publically communicate the number and percentage of employees and contractors who live in Kalgoorlie-Boulder and the Goldfields, providing updates on an annual basis. 3. Refresh the local apprenticeship and traineeship program to encourage local youth to stay and work locally. Monitor the application and retention rates of local trainees and apprenticeships.
2. Environmental impacts reduce quality of life (Negative)	The effects of blasting vibration, noise and dust associated with mining activities, leads to anxiety and/or reduces amenity and thus quality of life for near mine residents.	<ol style="list-style-type: none"> 4. Review the current property damage assessment process, including the process of engaging with concerned residents, and communicate publically how KCGM will approach this process in the future. Clearly communicate an criteria that will be considered for property purchases, should any be necessary for any future expansions. 5. Consider further study of the environmental impacts on Williamstown residents to gauge and understand the possible human related risks associated with the KCGM operations; 6. Develop and publicly commit to a long-term strategy for Williamstown.
3. Uncertainty about future mining activities (Negative)	Change in company ownership, in combination with limited communication, visibility and transparency from KCGM, has led to increased levels of local uncertainty regarding KCGM's plans for the future, and thus future of the community.	<ol style="list-style-type: none"> 7. Review KCGM's approach to community engagement, including its approach to publically communicating KCGM's plans for the future; 8. Develop indicators and publish data on an annual basis on key community and environment-focused commitments and goals.



Social Impact	Definition of social impact	Recommended mitigation measures for consideration
4. Insufficient support of Aboriginal employment and procurement (Negative)	The low level of Aboriginal employment and procurement from local Aboriginal businesses by KCGM, fails to support livelihoods.	9. Commit to improving KCGM's engagement with the local Aboriginal community, and develop and implement an appropriate strategy and tools to support this. 10. Develop an Aboriginal employment programme and build the Human Resources capacity to effectively implement the programme. 11. Working with local service providers, identify and invest in existing education and/or employment pathway programs that support young Aboriginal people to build their capacity to work at KCGM. 12. Set goals for the procurement of goods and services from local Aboriginal businesses and build the capacity of the Procurement team and of local Aboriginal businesses to support KCGM to meet their goals. 13. Support KCGM employees to act as mentors or role models for children at East Kalgoorlie Primary School and other local schools.
5. Provision of local funding and grants (Positive)	KCGM supports local organisations and community infrastructure through funding and grants.	14. Develop, publish and transparently report on a Community Contributions Strategy to inform all local donations, sponsorships, and community investment; 15. Create partnerships and collaboration with local organisations to build on existing medium-long term regional priorities, focusing on areas where KCGM can invest in leaving a positive legacy, such as vocational education and skill development.
6. Native Title commitment and relationships (Neutral)	KCGM's long-term relationship with Native Title claimants and groups is critical. While the current impacts that result from this relationship are modest, there is potential for significant positive impacts, or for significant negative impacts if this is not focused on now.	<ul style="list-style-type: none"> Establish a relationship with Native Title Services Goldfields and strengthen relationships with current claimant groups: Maduwongga Traditional Owner Group; and Marlinyu Ghoorlie Traditional Owner Group. Initiate a refreshed Reconciliation Action Plan development process.
7. Fear of increasing FIFO Employment (Negative)	Fear that KCGM will increase its use of FIFO labour, leading to reduced residential employment and support to public services and local businesses.	<ul style="list-style-type: none"> <i>(Refresh the local apprenticeship and traineeship program)</i> <i>(Local employment and traineeships pathways recommendation)</i> <i>(Develop, communicate and transparently report on a KCGM Local Employment Policy.)</i>



Social Impact	Definition of social impact	Recommended mitigation measures for consideration
8. Perceptions that blasting contributes to property damage (Negative)	Anxiety associated with fears that vibration caused by blasting contributes to property damage and reduces property values for near mine residents.	<ul style="list-style-type: none"> • <i>(Transparent communication regarding how KCGM plan to approach future property assessment processes);</i> • <i>(Develop and publically communicate a formal property purchase procedure)</i> • <i>(Revise the current property damage assessment process)</i> • <i>(Human Rights Impact Assessment)</i> • <i>(Introduce an amenity effect programme)</i> • <i>(Long-term strategy for Williamstown)</i>
9. Support for tourism infrastructure (Neutral)	KCGM supports local tourism infrastructure such as the Hannan's North Tourist Mine and the Super Pit Lookout. The positive impacts of this support are reduced by uncertainty about KCGM's long-term commitment to this infrastructure.	<ul style="list-style-type: none"> • <i>(Develop, publish and transparently report on a Community Contributions Strategy.)</i> • <i>(Develop a strategy to prioritise non-mining sector investment in local community and tourism infrastructure.)</i> • Review and publically communicate KCGM's commitment to providing long-term support for Hannan's North Tourist Mine. • Commit to and communicate the plans for a new / refurbished Super Pit Lookout.
10. Indirect contribution to social issues (Negative)	Factors such as rostering and mining culture contribute to social issues associated with crime, drugs and alcohol abuse. It should be noted that this is a cumulative impact – i.e. it is the result of the mining industry as a whole in Kalgoorlie-Boulder; it is not an impact that is created by or specific to KCGM.	<ul style="list-style-type: none"> • <i>(Create partnerships and collaboration with local organisations to build on existing medium-long term regional priorities, focusing on areas where KCGM can invest in leaving a positive legacy, such as vocational education and skill development)</i> • When developing/reviewing KCGM's strategic approach to community contributions, consider opportunities to support organisations that focus on avoiding and managing social issues in Kalgoorlie-Boulder, recognising the multiple factors and historical legacies that contribute to cumulative nature of this impact. • Continue to encourage employees to access KCGM's mental health support mechanisms, and review and update workplace health and safety training to supervisors to support them to encourage employees to access services.



Social Impact	Definition of social impact	Recommended mitigation measures for consideration
11. Lack of transparency around KCGM commitments (Negative)	Due to the recent change in ownership, current KCGM standards and procedures are in the process of being revised and updated. This process of potentially moving away from existing policies has caused some uncertainty with stakeholders surrounding local employment, social and community commitments.	<ul style="list-style-type: none"> • <i>(Review and validate KCGM's targets and aspirations related to employment, procurement and community contributions.)</i> • Review and publically communicate KCGM's goals and commitments related to employment, procurement, community contributions, and Aboriginal engagement.
12. Support to local industry (Positive)	KCGM supports local industry through its procurement of goods and services, which in turn supports local employment and the local economy.	<ul style="list-style-type: none"> • Review and revise the contracting and on-boarding process, drawing on feedback from local businesses, to make it easier for local businesses to provide goods and services to KCGM. • Work with local suppliers to build their capacity to apply for suitable procurement opportunities.



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