



STATE AND POLITICAL STAKEHOLDERS



State based stakeholders included principle regulatory agencies, union and industry representatives, Ministerial offices, Members of the Opposition and conservationists.

It was evident from all State based stakeholder interviews that direct contact with KCGM was limited. Therefore comments tended to be centred around high profile issues such as the Cooke Report, cyanide and rehabilitation. This distance also meant that State based stakeholders seemed less likely to rate KCGM's performance as highly as local stakeholders. Instead they tended to compare their performance to other mining giants such as BHP Billiton and Rio Tinto.

Social

Relationships with Indigenous groups and near neighbours tended to be the focus of discussions with State based stakeholders. With the exception of the strong contribution that KCGM makes to the local community, positive social drivers were not well understood by these stakeholders. Again this is likely to be attributable to the distance from KCGM personnel and a lack of regular updates.

Higher profile of Cooke Report and Williamstown

The profile of the Cooke Report and the Williamstown issue was certainly much higher among State based stakeholders – particularly those agencies such as DOIR, DOE and CALM who were all mentioned in this report.

These stakeholders highlighted the complexity of the issues but stressed that KCGM should have handled the situation differently. Their comments included: *“Certainly would appear some issues with residents over time have not been dealt with appropriately”*; *“Williamstown is an incredibly complex issue – an historical and planning anomaly from a time when people lived close to mining operations”*; *“Some difficult personalities, I think it is actually part of the nature of those people – they struggle to articulate a solution so it makes it very hard to manage the issues”*; *“It is no good being good in one area when a hand grenade is sitting on the other side”*; *“My attitude is clouded by the Cooke report and the Steve Keen issue”*; *“KCGM are not prepared to give in on the Williamstown issue or be blackmailed”*; *“They have a “you bastards are wasting our time attitude” and “We receive so many complaints but it appears that they do try things, we just don’t hear the results”*.

Progress on Indigenous Issues

At a State level Indigenous relationships are an issue of significance. KCGM's performance was compared by stakeholders to the progress made by BHP Billiton and Rio Tinto in this area. There is a perception that KCGM are slow to take up on addressing Indigenous issues and perhaps are a little behind other industry players. Comments included: *“No active engagement. I haven’t seen anything. Are they winking in the dark?”* *“They have an opportunity to show that they are bigger than a basic company in how they deal with this issue”*; *“KCGM are pretty neutral on this issue”* and *“It seems we are forcing them to do it rather than they are doing it themselves”*.

Strong contributors but perhaps more old school

KCGM were recognised by the State based stakeholders for their role in the community, with the only caution that they could be a little more old school than others. Comments included: *“KCGM don’t take an arrogant stance with the community. They are aware of regulations and proactive in their implementation”*; *“Very much of the Miner is right mindset (which was valid maybe 30 or 40 years ago”*; *“No-one has ever complained to me about the way employees have been treated”*; *“They view themselves as the aristocracy of the mining industry. The King of the Dung heap”*; *“They work with the community in creating some spirit within the community”*; *“In the past three years, they appear to have a strong community focus”*; *“Too reactive rather than setting agendas”* and *“They are conservative and tend to play it safe which may suit the community they are in”*.

IR policies

Feedback from union representatives generally related to the change to national award contracts and the lack of union representation. Drug and alcohol testing, issues with employee safety and communication were also raised by this sector. These comments mirrored feedback for many organisations across the State operating under similar IR policies.

Environmental

Perceptions on environmental performance varied greatly between State based stakeholders. Some felt environmental performance was very good (eg. *“They are an environmentally aware organisation, it’s in their culture.”* or *“environmental groups will always let you know how they’re doing and I haven’t heard many negatives about KCGM”*) while others felt improvements were needed in this area (eg *“They are not proactive in the recovery of or monitoring of groundwater”*; or *“We have to push them kicking and screaming to do things. They don’t do it of their own accord”*). Others simply noted that compared to other operators in the region, things were improving (eg *“The game has improved”* and *“Some mines up there are absolutely appalling but not KCGM”*).

Key issues raised from an environmental perspective included rehabilitation, water and cyanide.

Rehabilitation

Rehabilitation was flagged as a key issue for KCGM in the future. Comments included: *“Need to avoid the impression that they move in, dig a hole, create a dump and then leave”*; *“Need a green buffer to the community”*; *“Proof in the pudding will be when KCGM leaves – what will happen to the Super Pit?...They will be assessed on what they leave it like”*.

Water

The water issue was raised in a variety of contexts including: *“Only in sense of the question – how much do they use?”* *“Worried about water consumption – pumping the water underground could create long term problems”*; and *“Should they be pumping Esperance desalinated water? Or looking at it?”*

Cyanide

A few stakeholders raised the *“issue of cyanide and how that will be dealt with”* stating that it was *“a really important part of the process.”*

Economic

Economic impacts was the one area that all State based stakeholders agreed on. Comments included: *“KCGM are a major economic contributor to the economy”*; *“They are a visible and local reminder of what drives the region”*; *“They provide a constant backbone of housing, which at least gives Kalgoorlie-Boulder some long term support and stability. They are not part of the boom bust scenarios of say the nickel producers”* and *“You don’t see them on a daily basis but they should be selling their record as a power house to the community and their contribution to tourism and rehabilitation”*.

The only questions on economic impacts raised related to ownership and Kalgoorlie’s ability to cope with the “Super Pit” closure down the track.

Ownership

Some stakeholders felt they couldn’t attribute economic contribution locally due to confusion of KCGM ownership. One stakeholder said, *“There are always changes in ownership, they map out who it is and then it changes. I am not clear whose who up there – whether they are a foreign company or who they are? Who is involved? Therefore I don’t have a good feel for their economic contribution.”* Again, this comment highlighted some distance from KCGM and a lack of regular communication.

Economic Sustainability at Closure

Like local stakeholders, the question of what happens to Kalgoorlie at mine closure was one that generated debate. For some stakeholders they couldn’t see Kalgoorlie without KCGM (eg. *“No mine simply equals no Kalgoorlie”*). For others they felt that KCGM *“could start looking more proactively at closure of the major mines”* or that KCGM *“need to engage about and manage long-term sustainability issues – they should start talking about closure and contingency plans, particularly with the Department.”* One Government stakeholder felt that it was out of KCGM’s remit to look at economic

sustainability issues for Kalgoorlie as evidenced by the following comment *“sure KCGM should be part of the debate in looking into the future but it is not the company’s role to drive it”*.

Communication

The issues raised by State based stakeholders highlight a need for more direct and active engagement of both Government ministers and agencies. Comments relating to communication included: *“They have little Government contact unless pushed”*; *“I am not informed in a routine manner unlike BHP Billiton”*; *“Should try communications and listening and build a relationship based on trust rather than antagonism”* and *“they need to work closer with Government on social and community matters. They need to share problems and seek mutual outcomes”*.

When stakeholders could recall direct contact with KCGM, it was professional and well received eg. *“Their material is always well researched and well presented”*; *“Meetings with Gary were always very professional”*; *“Since mid 2000... they have had a structure in place to enable a dialogue with the community”*; *“They have been obliging but not proactive”* or *“They have used the media to get good press coverage”*.

Opportunities for Improvement

- A Government Relations strategy would go a long way to improving KCGM’s reputation with these stakeholders. This strategy could include regular briefings and updates, an annual workshop with various agencies on progressing the relationship in areas of mutual interest eg Ministers on progress of near neighbour issues, local employment, infrastructure and economic contributions, CALM on rehabilitation and local flora and fauna, DOE on near neighbour issues, annual reporting and social and environmental impact assessment results.