

Appendix K – Social Impact Management Plan



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Arafura Resources

Social Impact Management Plan

Nolans Project

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1. EXECUTIVE SUMMARY

This Social Impact Management Plan (SIMP) provides an outline of key beneficial and detrimental social impacts identified in the Social Impact Assessment (SIA) for the Nolans project, outlines key findings and recommendations, and outlines how opportunities will be maximised and detrimental impacts will be avoided, mitigated or managed.

Section 4 includes a summary of the key social risks identified in the risk assessment for the project and other less highly rated potential risks that could emerge.

Section 5 outlines a series of management plans that Arafura Resources Limited (Arafura) will prepare, along with action plans for implementation, covering employment and workplace development; local procurement; community engagement; community benefits; housing; grievance procedures; and a code of conduct for workers.

Section 6 outlines how Arafura's social performance will be monitored and reported against, including the outline of a sustainability report and indicators that could be reported against on a report card to the community.

Finally, Section 7 is a commitments register outlining actions that ensure the Nolans project's Social Impact Assessment forms the basis of ongoing social performance. This includes establishing a community reference group; agreement with the community on realistic and measurable indicators; reporting on the company's performance; an issues register to record and act on complaints; a range of management plans; opening a local office in Alice Springs; employing a community liaison officer; communication; sponsorship; a compensation package with traditional owners and mandatory cultural awareness for all staff and contractors.

2. OUTLINE OF THE PROJECT

Arafura's Nolans project covers a rare earths open cut mine, an intermediate processing plant, accommodation village, ancillary plants and supporting infrastructure near Aileron, 135 kilometres north-west of Alice Springs.

Arafura plans to mine, concentrate and chemically process rare earths at the Nolans site (Figure 1.1) then transport an intermediate product to an offshore separation plant for final processing into high-value rare earth products.

The project is on Aileron Station, one of many pastoral properties that until recently was owned by pioneering Central Australian families, and the traditional land of the Anmatyerr people who live in the nearby Alyuen outstation, Pmara Jutunta (Six Mile Camp), Laramba, other camps and communities around the town of Ti Tree 55 km to the north, and in the regional centre of Alice Springs.

It is proposed to start construction in 2017, with a peak workforce of between 400 and 500, leading to operations three years later with an estimated workforce of 250-300. It is proposed to start construction in 2017, with a peak construction workforce of between 400 and 500, leading to operations three years later with an estimated workforce of 250 to 300. Based on the predicted work-ready workforce, it is likely that 70 per cent of workers will be fly-in fly-out (FIFO) from other parts of Australia and 30 per cent will come from local communities, Alice Springs or other parts of the Northern Territory (including families who relocate to Alice Springs to work at the project). FIFO workers will be flown to Alice Springs and bussed to site. Alice Springs and other local workers will be bussed to site to reduce the use of private vehicles.

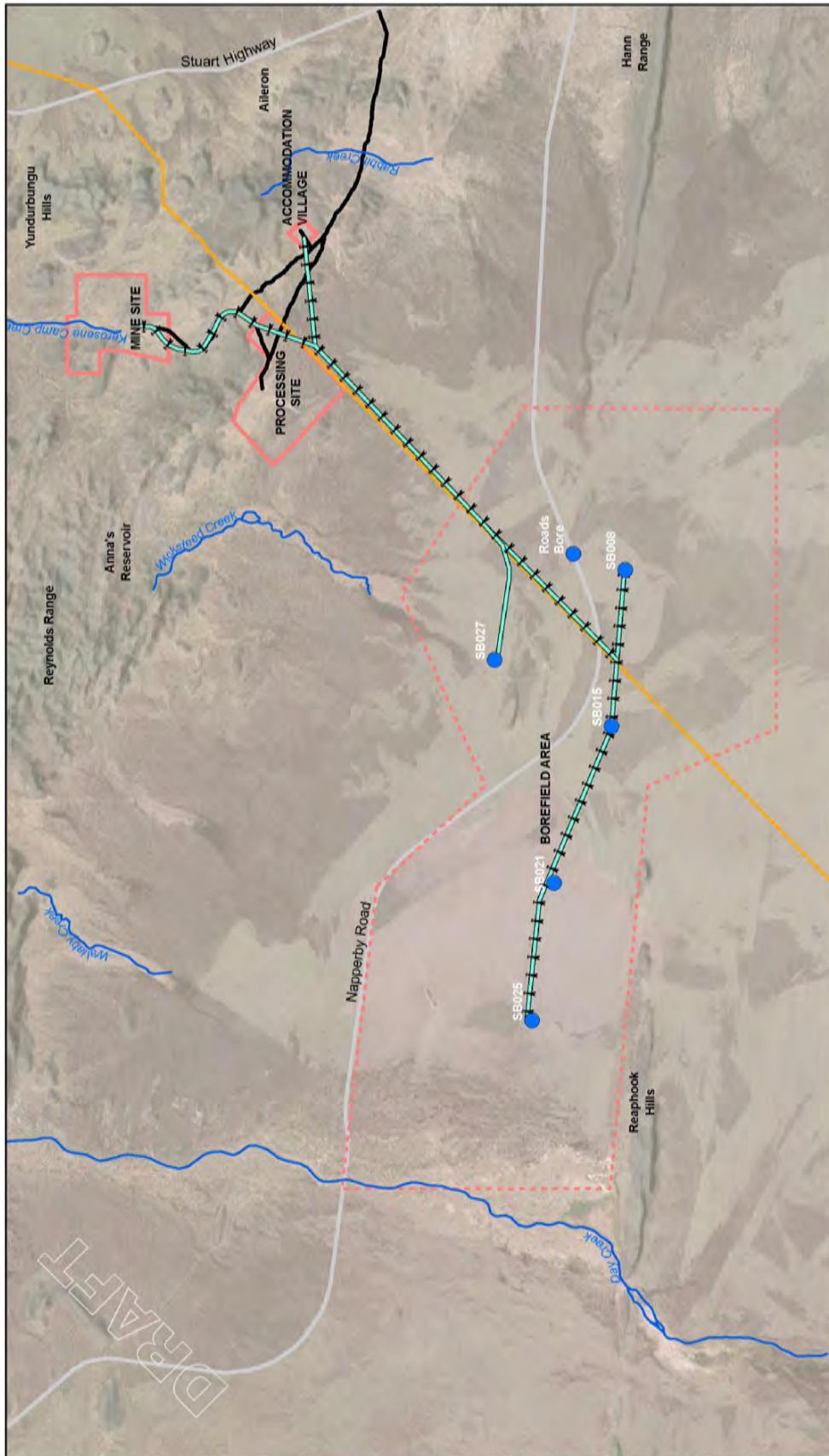
Arafura will build an accommodation village to accommodate 300 workers, with a likely overflow to be accommodated at the Aileron Roadhouse, 25 km east of the project site by road.

Key elements of the project include:

- an open cut mine with an initial mine life of 43 years;
- a concentrator that crushes, grinds and concentrates the ore and pumps impurities to a tailings dam;
- a concentrate slurry pipeline between the concentrator at the mine site and a chemical processing plant;
- a processing plant that treats the concentrate with acid and other reagents to produce rare earth intermediate products, and pumps impurities into residue storage facilities;
- a sulphuric acid plant;
- a gas offtake pipeline from the Amadeus Basin to Darwin high pressure gas pipeline and an 18 MW gas-fired power station;
- bores north-east of Reaphook Hills, with water pumped to a desalination plant;
- access road from the Stuart Highway to the various components of the site;
- an operations and logistics centre and office in Alice Springs; and
- trucking intermediate rare earth products to Alice Springs and railing it to the Port of Darwin for export to a chemical separation processing plant.

The area of study covers the project site, nearby communities likely to experience positive and negative social impacts, Ti Tree as the closest town to the Nolans project, Laramba as the closest site to the borefield and Alice Springs as the nearest regional centre.

Figure 1-1: Map of project area and immediate surrounds



1:225,000 @ A4

Kilometres

Map Projection: Universal Transverse Mercator
Gauss-Krüger
Code: GDA 1984 MGA Zone 53

LEGEND

- Water Bores
- Proposed Powerline
- Proposed Pipelines and Easement
- Existing Gas Pipeline and Easement
- Waterways
- Existing Roads
- Existing Access Track
- Borefield Area
- Site Boundaries

GHD

ARAFURA
RESOURCES LIMITED

Aratura Resources Limited
Nolans Project
Flora and Vegetation Assessment

Job Number 4322301
Revision B
Date 15 Dec 2015

Figure 1-1: Nolans Site

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Data source: GA - Imagery (2008), Roads, Waterways, Place names (2015), ESRU - Shaded Relief (2009), ARL - Water Bores, Proposed Pipelines, Borefield Area, Proposed Mine Site, Treatment Plant and Accommodation Village (2015). Created by: CW, CM

3. PLAN

This Social Impact Management Plan (SIMP) is intended as a stand-alone plan that summarises significant impacts of the Nolans project and outlines management plans to guide the company's long-term social performance. In essence, it covers social impacts from the perspective of the people whose lives, livelihoods and lifestyles are potentially affected by the project.

The plan summarises key findings of the Social Impact Assessment (SIA), outlines how they inform the company's decision-making and stipulates the management measures Arafura will take to avoid or minimise negative impacts and enhance potential benefits of the project.

The Social Impact Management Plan assumes:

- ongoing community input to Arafura's social performance, e.g. through a community reference group where community stakeholders can raise issues;
- ongoing monitoring of social indicators that show progress against predicted positive and negative impacts, such as local jobs, procurement, support programs and grievance procedures (many of these will need to be qualitative to be meaningful);
- annual public reporting against these indicators in a simple format, such as an annual report card or sustainability report; and
- that management will be held accountable for the company's ongoing social performance, though internal performance management practices and via public reporting of key indicators.

The Social Impact Assessment included extensive desktop research and stakeholder consultation in order to consider the scope of the project, characterise the current social and economic environment, work through potential scenarios of likely change and predict likely consequent impacts on people's lives and livelihoods.

The Social Impact Management Plan is the document by which the company's ongoing social performance will be monitored and accounted for. It is, therefore intended to be a practical, succinct and readable document. It allows for an adaptive approach which is flexible to changing circumstances, considers long-term legacies of the project over the life cycle of the mine and assumes a partnership approach to implementation of the company's key social performance objectives.

It provides a bridge from the point in time of the social impact assessment's baseline data and predicted impacts to the management plans, tools and processes to address the likely impacts identified.

The Social Impact Management Plan notes some areas where the Social Impact Assessment could not provide an authoritative or complete picture and outlines how this may be addressed, such as through ongoing consultation and communication.

3.1 Methodology

The Social Impact Assessment profiled the communities in the project footprint (immediate and regional), provides an outline of the social context of these communities, gathers baseline data and uses desk top research and interviews to describe existing social changes and predicts the likely risks and opportunities of the project. This was complemented by an Economic Study (Appendix T of the EIS) which analysed potential economic benefits and risks for the region, the Northern Territory and Australia.

A risk and opportunities matrix rated these impacts according to a subjective analysis of their likelihood and consequences, adopting methodology in line with the *AS/NZS ISO 31000:2009 Risk Management – Principles and guidelines*. The likely impacts were then further refined by a cross-disciplinary risk assessment, which rated some of the initial impacts as unlikely or immaterial, while recognising high levels of uncertainty.

The impacts are both positive and negative, direct and indirect and long and short-term. Some impacts may be unintended or difficult to manage. However, predicting potential impacts should maximise good decision-making, increase sensitivity and understanding of community perspectives and guide effective management plans.

The identified impacts were categorised, using as guidance the International Association of Impact Assessment (2003, 2015) description of social impacts as those that impact on people. This includes:

- people's way of life: how they live, work, play and interact with each other;
- their culture, or shared beliefs, customs, values, language or dialect;
- their political systems, or the extent to which people can participate in decisions that affect their lives;
- their environment, including the quality of air and water, food, the level of hazard, dust and noise, physical safety and access to natural resources;
- their health and wellbeing, which is a state of complete physical, mental, social and spiritual wellbeing and not merely the absence of disease or infirmity;
- their personal and property rights, including a violation of their civil liberties; and
- their fears and aspirations, including perceptions of safety, fears about the future of their community and aspirations for their future and the future of their children.

3.2 The concept of social sustainability

The concept of social sustainability is based on ensuring 'social wellbeing' (Australian Government's Department of the Environment 2013) or a positive legacy beyond the life of a project. For a project to be 'sustainable' it must be economically, technically, environmentally and socially beneficial for both the company and the community, taking particular account of impacts on vulnerable or disadvantaged peoples.

3.3 Community consultation

Consultation for the Nolans project began in early 2007, when the company opened an office in Darwin. Early consultation was guided by a comprehensive community engagement strategy that outlined stakeholders, likely issues and recommended appropriate communication with different stakeholder groups. Preliminary work for an Environmental Impact Statement began in 2012, including interviews for a Social Impact Assessment.

The level of consultation has been affected by

- changes to project timelines and configuration, including a proposed processing plant in Whyalla, South Australia;
- delays to the project due to the global financial crisis;
- moving the processing plant back to the Northern Territory after Arafura discovered an extensive system of groundwater aquifers to the southwest of the project; and
- resuming the Environmental Impact Statement and consultation in 2015.

A revised 2015 Stakeholder Engagement Strategy guided consultation for the Environmental Impact Statement and stakeholder interviews for the Social Impact Assessment to reduce duplication and ensure the results of each scope of work informed the other.

Consultation to inform the Environmental Impact Study included workshops with government departments, on country meetings with traditional owners organised through the Central Land Council, individual meetings with pastoralists, briefings of Central Desert Regional Council and its Anmatyerr Local Authority, community information sessions and individual meetings with a number of key stakeholders including community and environmental groups and non-government organisations. This was supplemented by 36 dedicated interviews for the Social Impact Assessment.

The recommended approach once the Nolans project starts construction includes a community reference group to agree on community relations objectives, outline the community's expectations, agree on monitoring and reporting of Arafura's commitments and agree on roles and responsibilities.

The company will maintain both a commitments register and an issues register. The issues register will include protocols for how stakeholders make or raise issues with the company, how any issues will be responded to and recorded and a process of analysing complaints and issues to identify any systemic issues in the company's social performance that need to be addressed.

Communication includes a community page on Arafura's website, materials to explain issues of concern and monitoring results, maps, a video, community displays, a project shopfront and industry presentations to maximise local industry participation.

Arafura is negotiating a benefits package with traditional owners, through the Central Land Council. This agreement is likely to include various conditions about employment, Aboriginal businesses and ongoing communication.

(See Community Consultation Report at Appendix H.)

3.4 Requirements of the Northern Territory Environment Protection Authority



The NTEPA's guidelines for preparing an Economic and Social Impact Assessment stipulate that the plan will:

- *establish the roles and responsibilities of the proponent, government, stakeholders and the community in mitigating and managing impacts and making the most of opportunities through the life of a project;*
- *include an outline of current and proposed stakeholder engagement strategies;*
- *prioritise potential economic and social impacts predicted in the Social Impact Assessment;*
- *outline mitigation and management strategies for identified risks, including a register of agreed activities and commitments;*
- *monitoring, reporting and review mechanisms, including the ability for stakeholders to raise new issues;*
- *mechanisms to resolve new and emerging issues as they transpire and to amend the Social Impact Assessment; and*
- *a communication strategy.*

4. KEY FINDINGS OF SOCIAL IMPACT ASSESSMENT

This section provides:

- a summary of the predicted key positive and negative impacts and some potential emerging impacts;
- prioritisation of the key risks and opportunities;
- some brief commentary on the findings;
- an outline of the management measures in response to these findings;
- indicators by which to measure performance; and
- how these indicators will be monitored and reported on each year, including qualitative and quantitative measures

Section 5 provides a list of management plans that Arafura will prepare to address the identified risks and opportunities as well as a commitments register for which the company's management will be accountable.

4.1 Population and communities

Summary

Impacts on community cohesion could potentially come from two sources: one is the influx of workers and their families to Alice Springs and the local region creating tensions with the existing communities, including jealousies from Aboriginal people if they perceive others getting jobs while they remain unemployed. The other is the tensions that can flow from the distribution of benefits, including wages and royalty payments, particularly management of cash payments.

There are high levels of uncertainty about these impacts and management of them is only partly under Arafura's control. This would be the case particularly if the impacts are cumulative as a result of other changes in the region, such as other large mining projects. What is equally important is the community's resilience, or ability to adapt to change and find solutions in partnership with Arafura to manage the impacts.

Key mitigation strategies will be ongoing community engagement, working with the CLC on agreements with traditional owners to maximise non-cash components of a community benefits package and managing workforce issues that could lead to community tensions.

Table 4-1: Summary of risks and opportunities for population and communities, indicators and measurement

| Key risk or opportunity | No | Residual rating | Comment | Management | Indicators | Methods to measure |
|--|----|------------------|---|--|---|--|
| Local employment results in increased disposable income in communities near the project, leading to social and family tensions. | 1 | Threat Medium | Higher incomes may lead to 'humbug' from families and reduce the incentive to work. Higher wages may affect welfare and rental payments. Increased cash could create tensions between family groups, cause in-migration, and may lead to money being spent on alcohol, gambling, cars and other consumer goods. This could lead to impacts on community cohesion or resilience | Largely outside Arafura's control but community liaison officer can link to agencies and money management programs to help address. | Distribution of jobs and benefits to families Community satisfaction | Community attitudes surveys Stats on local wages paid Grievance register, complaints |
| Distribution of royalty payments results in increased disposable income for some people in local communities, leading to social tension and conflict. | 2 | Threat Medium | Distribution of royalty payments can create a 'honeypot' effect of other families moving to communities in expectation of sharing. This can exacerbate overcrowding and cause jealousies and conflict between family groups as well as undermining existing power structures. Increased disposable income can contribute to higher substance abuse and anti-social behaviours, with consequent impacts on mobility, school and work attendance, feelings of safety and pressure on police, health and other services. Dependency on mining wages can also decrease incentives to work or other economic participation. | Distribution of royalties is through the Central Land Council (CLC). A key mitigation strategy is for distribution through an agreed trustee arrangement to ensure an equitable distribution of benefits. Also to plan for a negotiated community benefits package rather than cash payments. While Arafura can't control substance abuse and dictate how royalties are spent, it can implement policies for workers. | Community satisfaction Proportion of benefits paid in cash | Survey Outcome of negotiations and content of indigenous Land Use Agreement (ILUA) |
| Project employs people previously volunteering with local organisations or recreational groups, resulting in a decline in the quality of volunteer services and viability of local community organisations and sporting clubs. | 3 | Threat Low | Voluntary organisations may not survive or be able to provide an effective service, impacting on service delivery. Loss of organisers or participants from community groups and sporting clubs due to project rosters may impact on the viability of community organisations dependent on volunteers. This is more likely to impact on sports clubs, with younger members, than community groups more dependent on older people, e.g. retirees. | Community investment programs that include volunteering by staff. Arafura may be able to contribute to local emergency response capabilities. | Volunteering numbers | Number of staff volunteering Statistics on volunteering in Alice Springs |

| Key risk or opportunity | No | Residual rating | Comment | Management | Indicators | Methods to measure |
|---|-----|-----------------|---|---|---|----------------------------------|
| Influx of workers changes the composition of Alice Springs and Ti Tree populations, particularly young, single workers, leading to social tensions. | N/A | Threat Low | Community resilience is the extent to which communities can adapt to change. An influx of families to Alice Springs could change community cohesion. An influx of young, single men can upset community cohesion if they interact with local communities, particularly at licensed premises or if they introduce drugs and alcohol to communities and is one of the factors that can reduce community amenity. | This risk was rated as low, so isn't included in the risk register, but should remain as a potential risk should management measures fail. The likelihood and consequences of a material increase in population in Alice Springs was considered unlikely. Risks from interaction with the local community will be minimised by quarantining workers in an accommodation village. These efforts will be supported by a Code of Behaviour for workers. | Community composition (Alice Springs and locally) Community satisfaction | Census data Community surveys |
| Jobs at the mine and governance structures around a community benefits trust undermine decision-making and governance structures of other institutions, such as traditional decision-making, local government and government. | N/A | Threat Low | As above, this risk was considered immaterial because of the number of influences impacting on traditional and other institutions and governance. However, this potential risk could contribute to social tensions and undermine community cohesion so should be monitored. | Respect for existing governance structures and ensure new structures, such as a community benefits trust and community reference group, do not unduly undermine them. | Community satisfaction | Community attitudes survey |

Table 4-2: Summary of potential social impacts from these risks

| Summary of potential negative social impacts from these risks |
|---|
| Reduced community cohesion |
| Reduced community resilience |
| Reduced community amenity |
| Reduced volunteering |
| Project creates volunteering |
| Weakened power and governance structures |

4.1.1 Key findings relating to population and communities

Table 4-3: Key social impact assessment findings in relation to population and communities

| Key social impact assessment findings in relation to population and communities |
|---|
| <p>The Alice Springs Local Government area has a population of 28,720, of whom 18.5% are Aboriginal. Among the non-Aboriginal population, there is a 'bulge' of working age residents, reduction in 15-19 year olds and dent in the ages of 60 to 64, suggesting people leave on reaching retirement age. The Aboriginal population is more of a pyramid, indicating a youthful age structure.</p> <p>An apparent trend of migrants from countries such as India, the Philippines and Sudan since the 2011 Census is changing the demographic profile of Alice Springs.</p> <p>Ti Tree is largely a service town providing government, municipal and retail services to surrounding Aboriginal communities and travellers on the Stuart Highway. It is an unusual demographic profile as a result. Although half the population is non-Aboriginal, there were no Aboriginal children enrolled in the Ti Tree School in mid-2015.</p> <p>Other key communities near the project site are Anmatyerr, including the family outstation of Alyuen, near the Aileron Roadhouse, Laramba (the closest community to the borefield), and Pmara Jutunta (Six Mile). There is mobility between communities and some tensions between Warlpiri residents and visitors.</p> <p>Key risks to community cohesion and resilience could come from an in-migration of families wanting work, increased cash from wages and royalty payments, tensions over how the benefits are shared, the consequences of increased expenditure on alcohol and any conflict and jealousies between local Aboriginal people and the large influx of workers.</p> <p>This is less likely to be an issue in Alice Springs.</p> |

4.1.2 Management and mitigation of identified risks and social impacts

- An on-going focus on community engagement and communication to ensure Arafura is responsive to emerging issues and adapts its management approaches.
- Careful management of the impacts of a large influx of workers on housing, community cohesion and resilience, such as temporary accommodation for fly-in fly-out workers.
- Negotiate agreements that focus on community development and investment in equitable longer-term benefits, in line with the Central Land Council's investment policy and community development approach and in accordance with the native title holders' wishes.
- Employ community liaison officers who can provide advice on local issues, access support services, and to provide a direct conduit between the operations and the local community.
- Ensure all project governance structures are inclusive, transparent and sensitive to other decision-making structures, such as local government and traditional structures.
- Encourage volunteering so the project and its workers are seen to be part of the community, for example by supporting emergency response units or encouraging worker participation in community investment programs.
- Maintain an issues register that make it easy for people to report anything of concern and respond to issues raised.

4.2 Employment and economies

The most significant beneficial and detrimental impacts of mining are associated with workforce issues: how to maximise local employment without just poaching workers from other employers, how to move a large pool of unemployed Aboriginal people into a productive workforce, avoiding saturation of communities with mining workers at peak periods, while encouraging families to move and become part of the community longer-term and boosting local economies in a sustainable way so the benefits last beyond the life of a mine. These dilemmas are faced by all regional mining projects, particularly in the intense, but generally short-term, construction phase.

While the economic benefits are substantial, the positive and negative impacts flowing from attempts to employ locals are highly uncertain given the available work-ready labour pool relative to with Arafura's labour needs, particularly during construction. This will be compounded by cumulative impacts from other major projects if they proceed concurrently.

Key mitigation strategies will be a comprehensive employment and workforce development plan, adapting recruitment strategies to the local communities' capacity and working closely with educational institutions and local people to maximise opportunities, set realistic targets and clearly communicate the barriers to their achievement.



Table 4-4: Summary of risks and opportunities for employment and economies, indicators and measurement

| Key risk or opportunity | No | Residual rating | Comment | Management | Indicators | Methods to measure |
|--|----|------------------|---|--|--|--|
| Recruitment draws people from existing jobs in Central Australia, resulting in impacts on other Central Australian businesses, including pastoral, retail, tourism, hospitality, trades, government, local government. | 3 | Threat Medium | Given the available labour pool, it is likely that many local workers will be drawn from existing jobs for the higher salaries. This would impact on the capacity of other employers to run their businesses or deliver services as they backfill positions with less qualified staff. The key impact is likely to be localised around Ti Tree, but the project is also likely to impact on the availability of tradespeople in Alice Springs. | Largely outside Arafura's control but Arafura will work with industry groups and employers to consider the impacts of its recruiting and consider joint training opportunities. Arafura will consider using workers from the Sentenced to a Job program and the use of a local contract labour pool which is less likely to impact on local employers. | Loss of workers to the project Business satisfaction Reduced council services Skills gaps | Workforce statistics on origin of workers Business satisfaction survey Skills audit in Alice Springs and locally |
| Use of local contractors and businesses reduces local industry capacity for other work, impacting on business costs, competitiveness and operations. | 4 | Threat Low | This is most likely during construction, with a short-term demand for services in Alice Springs soaking up local capacity and impacting on other potential clients and service delivery by businesses. | Arafura will prepare a Local Industry Participation Plan as part of the construction plan and work with local employers and business groups. Longer-term, businesses are likely to scale up to meet the needs of longer-term service contracts. | Community satisfaction | Community attitudes survey |
| Local people do not win jobs with the project, resulting in unmet expectations and tension between local people, Arafura and project staff. | 5 | Threat Medium | There could be jealousy by traditional owners if they perceive that jobs are being taken by Aboriginal people from elsewhere (including Alice Springs), non-Aboriginal workers from Alice Springs and FIFO workers. This could lead to tensions and resentment between different groups and towards the project. This is likely to be caused by the tight labour market, low participation rates, long-term unemployment, poor education and skills, job-readiness, people not wanting to work in a mine, substance abuse and family pressures. It may be harder to attract women because of family pressures, jealousy or perceptions that all jobs are for men. It is likely that there will be unrealistic | Arafura will have a focus on good communication and engagement to explain what jobs are available, help local people obtain them and explain any shortfall in expected local jobs, e.g. through a community reference group. Arafura will maximise opportunities for local employment through work-readiness planning and training, communication about working at a mine, demonstrating the range of work available (including for women) and working with contractors to ensure a commitment to local Aboriginal participation. | Number of local people employed Participation and unemployment rates in Alice Springs and local communities Community satisfaction | Census data on participation rates Number of local people with jobs at the project Number of job seekers registered with employment and community development providers Community attitude survey |

| Key risk or opportunity | No | Residual rating | Comment | Management | Indicators | Methods to measure |
|--|----|------------------|---|---|---|--|
| Local businesses, such as Alice Springs civil contractors, trades and other suppliers, fail to win work on the project, resulting in unmet expectations and negativity towards the project. | 6 | Threat Medium | <p>expectations of the work available and what it's like working at a mine.</p> <p>Potential causes could be lack of capacity or specialist skills or not being able to meet Arafura's quality, safety and financial standards.</p> <p>The consequences would be business frustration in Central Australia and perhaps more broadly in Darwin or Tennant Creek, leading to negativity and unmet business and government expectations. Businesses may close through failing to win contracts or because of broader economic circumstances and blame the project. Or they could be ill-informed about the level of local procurement.</p> | <p>Arafura will prepare a Local Industry Participation Plan and work with the NT Government, Chamber of Commerce and ICN to run industry information sessions with its Tier One contractors to help prepare businesses for opportunities and get feedback that may influence how work is packaged.</p> <p>Prime contractors will be expected to commit to local opportunities in their supply chains.</p> | <p>Number and value of contracts awarded in Central Australia and the Territory</p> <p>Business satisfaction</p> | <p>Statistics for Local Industry Participation Plan</p> <p>Business survey</p> |
| Project personnel relocate to Alice Springs to live with their families and increased demand for goods and services results in localised inflationary pressures and economic hardship for the existing population. | 7 | Threat Low | <p>This can include pressures on private housing, trades, childcare and impact on the general cost of living.</p> <p>While this remains a risk, the number of families likely to move to Alice Springs should be readily absorbed without major inflationary pressures. It is likely that most workers will already live in Alice Springs or communities near the mine or be FIFO workers.</p> <p>Inflationary pressures as a result of scarcity of supply (e.g. housing) could lead to lower disposable incomes for existing residents, hardship and a 'two speed economy', particularly if workers receive incentives and subsidies not available to the general population.</p> <p>It is predicted there will little relocation of families during construction and possibly 30% of the workforce living in Alice Springs during operations (30%), but this would include many existing residents.</p> | <p>Arafura's short-term accommodation strategy will take account of Alice Springs' capacity to absorb an increased population because of the project.</p> <p>Arafura will monitor the number of local workers and number of workers and their families relocating to Alice Springs because of the project.</p> | <p>Cost of living indicators such as housing affordability and availability, basket of goods</p> <p>Household and individual incomes in Alice Springs</p> <p>Number of families relocating to Alice Springs</p> <p>Community satisfaction</p> | <p>Census data</p> <p>Company records on source of staff and where they live</p> <p>Real estate data on cost and availability of private housing</p> |

| Key risk or opportunity | No | Residual rating | Comment | Management | Indicators | Methods to measure |
|---|----|-----------------|---|---|---|---|
| | | | The impacts could be cumulative if other projects start at the same time. | | | |
| Project timelines, contracts and impact on demand for goods and services is poorly understood by local businesses, resulting in insufficient resilience to adjust to a planned decline in demand. | 8 | Threat Low | Local businesses may over-extend if they invest unsustainably in staff and equipment in expectation of long-term work on the project, particularly during the construction period. This can result in perceptions of a 'boom bust' economy through over-dependency on one project and a sudden decline in project activity. | Procurement policies to account for a company's size and ability to sustain growth. Work with the ICN, NT Government and Chamber of Commerce on industry briefings. Clear communication about the needs of the project, size of available packages and length of contracts available. | Number and value of Territory and Alice Springs contracts Business confidence | Number of Alice Springs and Territory businesses winning contracts Number of Alice Springs businesses closing or going into administration Business survey |
| Demand by the project for airline seats and short-term accommodation in Alice Springs results in high occupancy levels and price pressures, displacing tourism in the region. | 9 | Threat Low | There is a risk that the movement of large numbers of FIFO workers will crowd out convention and other tourism by reducing access to Alice Springs and increasing hotel occupancy rates and prices. This is most likely during the construction phase. While this provides economic benefits to some, it could reduce the attractiveness of tourism, a key economic sector for the NT Government. Tourism businesses, while many are small, are major employers of Aboriginal and other local people. This may occur during construction when it is expected to have 400-500 workers at the site at peak. | Potential displacement and cost pressures on local short-term accommodation will be monitored as part of a temporary accommodation strategy, matching transport from site to the timing of flights and providing temporary accommodation near the project or in Alice Springs as necessary. | Occupancy rates for hotels and airlines Average prices for hotel rooms and airline seats Business satisfaction Number and origin of people in tourism and hospitality jobs | Tourism data Number of flights booked Number of hotel rooms booked, cost and time of the week Business satisfaction survey Labour market survey |
| The project is perceived by adjacent pastoralists as incompatible with existing land use and their operations, leading to tensions and potential for reputational impacts. | 10 | Threat Low | Perceptions of competing land uses may impact on the viability of pastoral properties (or provide additional income through diversification). The emergence of organic farming on Aileron Station and adjoining properties: the project is unlikely to impact on organic certification, but could create perceptions of risk to accreditation and brand equity. | Discussions with adjacent land users to provide information on the project, potential effects and proposed mitigation. Establish an exclusion zone around the site to exclude pastoral activity. | Community satisfaction | Complaints from pastoralists Community satisfaction survey |

| Key risk or opportunity | No | Residual rating | Comment | Management | Indicators | Methods to measure |
|--|----|-----------------------|---|--|--|---|
| | | | Pastoral and horticultural properties may also be concerned about the impact of the project's use of groundwater on their operations. | | | |
| Increase in local jobs leads to higher levels of employment, economic participation, improved education outcomes and reduced levels of disadvantage. | 19 | Opportunity High | Should Arafura be able to realise high rates of local employment and retention, the benefits will include higher income, reduced levels of disadvantage for local Aboriginal people, increased home ownership, increased local business capacity, better capacity to get other jobs and a flow-on effect to other sectors due to increased wealth in the community. | Arafura will implement a number of measures to increase local workforce participation, include a workforce development plan, KPIs for Arafura and contractors for Aboriginal employment, mentoring and support programs for workers and their families, working with industry groups, procurement strategies and working with schools and job providers to increase transition to jobs and work-readiness. Given the level of entrenched disadvantage and disengagement, it will require a patient and proactive approach to make a difference. | Participation and unemployment rates Local worker retention rates Number of apprenticeships with the project Level of private home ownership Income levels Levels of overcrowding Other socioeconomic indicators Community satisfaction | Census and labour market data and trends Company data on number of locals employed and whether they had jobs before, proportions of local, Alice Springs and FIFO workers Number of employees buying their own home Comparison of wages with average income levels Community attitude surveys |
| Project results in direct and indirect demand for goods and services within the local economy, driving business and regional economic growth. | 20 | Opportunity Medium | Business growth will depend on the project's procurement policies, capacity and willingness to supply competitive and quality services, good communication about opportunities and a match between the project's needs and local capacity to supply. This may change over time as businesses adapt. Increased demand for local goods and services will grow the capacity of local businesses and the region, create jobs and support economic development. | Local Industry Participation Plan to emphasise the importance of local procurement. Packaging work to suit the capacities of local businesses and encouraging joint ventures. Working with government business growth programs. | Economic data such as GDP Alice Springs workforce participation rates Chamber of Commerce membership Local project expenditure | Census data Business surveys Reports on local industry participation |

Table 4-5: Summary of potential social and economic impacts from these risks and opportunities

| Positive social and economic impacts | Negative social and economic impacts |
|---|---|
| <p>Increased local employment with the project (higher standard of living, potential home ownership)</p> <p>Regional economic growth and business growth</p> <p>Better educational outcomes</p> | <p>Expectations of workforce participation not met</p> <p>Poaching workers from other employers</p> <p>Business expectations of local procurement not met</p> <p>Reduced business capacity for other work, particularly during construction</p> <p>Displacement of tourism</p> <p>Some displacement of pastoralism</p> <p>Boom bust economy</p> <p>Increased cost of living</p> |

4.2.1 Key findings in relation to employment and economies

Table 4-6: Key findings from the social impact assessment on employment and economies

| Key findings from the social impact assessment on employment and economies |
|--|
| <p>Alice Springs, as the key regional centre for the project, has experienced a decline in population and business confidence, with consequent downward pressures on housing availability and affordability.</p> <p>While the resource sector is important to the Territory’s economy, there has been a marked decline in mining exploration and production, with most operating mines in the Territory closing or scaling back production, creating expectations of opportunities from new projects.</p> <p>A major influx of workers and their families to Alice Springs could increase demand for goods and services, in particular housing, which could lead to inflationary pressures.</p> <p>The project offers substantial regional economic growth potential through expenditure on wages, business growth, the potential to provide services and the indirect impact of families moving to Alice Springs and spending money in the local economy. However, failure to win work could generate negativity, while providing services to the project could also reduce business capacity for other work and there is always the risk with big projects of creating a ‘boom bust’ effect.</p> <p>Tourism is a key economic sector in Central Australia and would be vulnerable to some project impacts, such as the loss of staff to better-paid jobs and crowding out of business and general tourism due to the project taking up short-term accommodation and airline seats.</p> <p>Although education outcomes are improving for Aboriginal students in the Territory, there is still a major gap between Aboriginal and non-Aboriginal outcomes and school attendance that will affect job-readiness for the project.</p> <p>The Department of Education has seen a major increase of VET placements in Alice Springs schools but is now struggling to find placements for these students.</p> <p>While there are high levels of unemployment among Aboriginal people, there are low levels of unemployment among non-Aboriginal residents and better educated Aboriginal people. Age profiles suggest a large cohort of Aboriginal school leavers about to enter the labour force, so the project provides substantial opportunities for school leavers to transition to real jobs.</p> <p>Employers and business groups report trouble attracting and retaining Aboriginal and non-Aboriginal labour.</p> <p>The project may also offer business and job opportunities in areas such as land management.</p> <p>Additional sources of labour may come from the growing migrant population in Alice Springs and the NT Government’s Sentenced to a Job program.</p> <p>A likely negative impact of the project is that Aboriginal and other workers will leave existing jobs, particularly with Government quotes for Aboriginal participation in the workforce.</p> <p>The project may be seen by pastoralists as incompatible with existing land use, for example the emergence of organic farming.</p> |

4.2.2 Management and mitigation

- Any successful employment strategy will need to work with service providers, communities and families to address the multi-faceted issues contributing to poor work-readiness, recruitment and retention, from literacy and numeracy to life skills, a lack of role models, family pressures and practical issues such as transport and overcrowded housing (see suggested model below).
- High expectations around jobs and business contracts with the project will need to be managed through good communication to ensure Arafura's quality and safety standards are understood and Arafura explains why some targets may not be met.
- Procurement and employment strategies need to be mandated for Tier One contractors and their sub-contractors to ensure genuine efforts are made to reach targets.
- Recruitment efforts should include good communication about the different types of jobs available at mines, with visits to other mines if possible.
- If other projects go ahead, rather than competing for workers, Arafura should collaborate to recruit families to live in Alice Springs if possible where they will contribute to the local economy and become part of the community.
- Monitor the inflationary impacts of worker subsidies, e.g. for rental and childcare.
- Monitor other displacement impacts such as the availability and cost of flights and low-cost accommodation used by tourists.
- Monitor and communicate on issues such as local labour shortages to help ensure the region still has access to people and services, such as tradespeople.
- Special information nights in Alice Springs may help recruit migrant workers who have come to Alice Springs looking for work and increase the participation rates of existing Alice Springs residents with the project.
- Procurement policies should take account of the capacity of local business when packaging tenders and ensure local businesses don't over extend themselves by unrealistic expectations of the work available.
- Work with the Northern Territory Department of Business and Central Land Council to explore opportunities to support local Aboriginal enterprise development, such as cultural awareness training, services to the project, microbusinesses such as community gardens and horticulture, plant and equipment hire and labour hire.
- Attend local careers expos to promote jobs at the project, including jobs for women.
- Establish a shop front in Alice Springs and perhaps Ti Tree to talk to potential workers and make this part of the community liaison officer's role.
- Work with local cattle producers to ensure the project's activities are seen as contained and not incompatible with other land uses.

4.3 Services and infrastructure

Summary

The predicted impact on services is highly uncertain as it is an indirect consequence of employment and workforce issues. In general, it is predicted that both Alice Springs and nearby communities can absorb the likely workforce without a great impact on existing services, such as health, housing and emergency services, particularly if an initial FIFO workforce is largely accommodated at an onsite workers' village. However, a significant influx of Anmatyerr people returning to country to work at the mine could lead to pressures on local community housing and create a demand for more private housing and community infrastructure in Ti Tree, while population mobility (e.g. more people wanting to live in the small community of Alyuen) could put pressure on housing and community infrastructure, which at present is minimal.

Impacts on Alice Springs are predicted to be minimal given that the recruitment of people to Alice Springs is likely to be absorbed within existing capacity. However, cumulative impacts if other developments start at the same time, could lead to pressures on scarce public housing (through inflationary impacts on the private housing market) and on the availability and affordability of private housing.

Key mitigation strategies are to contain any impact on local services by providing medical services on site for workers, taking account of accommodation needs in recruitment, short-term accommodation strategies, Codes of Behaviour to reduce demands on policing services through increased anti-social behaviour, traffic management plans to reduce road safety risks and on site emergency response preparedness to reduce the need for external emergency responses.

Table 4-7: Summary of risks and opportunities for services and infrastructure, indicators and measurement

| Key risk or opportunity | No | Residual rating | Comment | Management | Indicators | Methods to measure |
|--|----|-----------------------|---|--|--|---|
| Return of people to local communities as well as the 'honeypot' effect of people moving to the area in expectation of work or other benefits, results in a localised population increase, with higher demand for government infrastructure and services. | 11 | Threat Medium | <p>Given current levels of overcrowding, there is little capacity to absorb any influx of people to communities near the project. For example, there are only six houses in Alyuen, a family outstation closest to the project.</p> <p>Local Aboriginal people working on the project may aspire to home ownership on freehold land in Ti Tree.</p> <p>Currently, there is no private ownership of houses in Ti Tree and only two public houses. Most houses are owned by employers such as the NT Government, Council and local stores.</p> <p>There is limited capacity for additional employee housing should the project increase demand for local services such as police, health and education in Ti Tree, Laramba or Alyuen.</p> | <p>Arafura can mitigate pressures to some extent by providing medical facilities on site for workers. The immediate impact on services such as housing may be short-term. Longer-term, increased economic activity provides opportunities for the growth of Ti Tree as a regional growth town. While the project may cause these pressures, they are likely to be cumulative with other mining and horticultural projects in the region, so the solutions are largely with government, hence the importance of working with the NT Government to predict and plan for any increased demand for housing and essential services in particular.</p> | <p>Population and community composition</p> <p>Demand for government infrastructure and services</p> <p>Number of medical presentations and evacuations</p> <p>Availability and affordability of housing</p> <p>Level of overcrowding in local communities</p> | <p>Census data</p> <p>Needs analysis to establish baseline data on local services and projected changes in demand</p> <p>Company data on number of local workers, where they are living, family composition</p> <p>Joint planning with NT Government</p> <p>Housing waiting lists</p> |
| Investment in infrastructure or equipment associated with the project, such as road upgrades, communications networks and power supply may provide indirect benefits. | 21 | Opportunity Medium | <p>Project infrastructure may directly benefit communities near the project. For example, there are poor telecommunications services to Aileron Roadhouse and Aboriginal communities near the project.</p> <p>The project may also act as a catalyst for regional growth and government expenditure on infrastructure to support population growth, particularly in Ti Tree.</p> | <p>Work with the Central Desert Regional Council, the NT and Australian Governments and other mining and horticultural projects to develop a collaborative approach to regional economic growth and investment in infrastructure.</p> | <p>Capacity of infrastructure in communities near the project</p> <p>Project expenditure on infrastructure (including residual infrastructure, legacy projects)</p> | <p>Joint planning with NT Government</p> <p>Capital expenditure on infrastructure</p> |

Table 4-8: Summary of potential social impacts from these risks and opportunities

| Positive impacts | Negative impacts |
|---|--|
| <p>Community benefits from upgraded infrastructure such as roads, telecommunications and utilities</p> <p>Improved infrastructure</p> | <p>Pressures on the affordability and availability of public and private housing</p> <p>Pressure on government services and community infrastructure such as emergency response, health, education, land release, transport infrastructure and utilities as a result of population increases</p> |

4.3.1 Key findings on services and infrastructure

Table 4-9: Key social impact assessment findings in relation to services and infrastructure

| Key social impact assessment findings in relation to services and infrastructure |
|---|
| <p>A key potential impact on services and infrastructure would come from any additional demand on public housing in communities near the project.</p> <p>Alyuen, which is closest to the mine, contains only six houses, but the project might prompt the relocation of families wanting work or other benefits from the project.</p> <p>There is overcrowding in public housing in Alice Springs and communities and long wait lists.</p> <p>While it is unlikely that the project would impact on public housing in Alice Springs, any inflationary impacts could have a displacement effect of people leaving the private rental market seeking public housing.</p> <p>There is no capacity for additional public or private housing in Ti Tree, however increased demand may be generated by an influx of Aboriginal or non-Aboriginal workers, people wanting to start enterprises to supply the mine, increased aspirations for home ownership or any additional need for government employee housing. The project may accelerate a proposed sub-division planned for Ti Tree.</p> <p>Any additional demand for housing or other infrastructure in Ti Tree or nearby communities has implications for the timing and cost of expensive essential services infrastructure, which currently has little redundancy.</p> <p>Any direct impacts on local education and health services are likely to be absorbed and could be positive if the project increases school attendance. However, any indirect impacts from increased social disorder could be increased presentations at the health clinic and absenteeism at the Ti Tree school.</p> <p>Alice Springs health and education services should be able to absorb any increased population from the project.</p> <p>There could be increased demand for police and emergency services with road safety risks, the need for emergency response to spills and any increase in public disorder as a result of social conflict.</p> <p>Transport could be affected by workers taking up airline sites and reducing other access, including tourism, and by increased use of the Stuart Highway by project traffic.</p> <p>The project could lead to improved infrastructure that benefits local communities, particularly if the combination of the Nolans project and horticultural growth prompt the growth of Ti Tree as a regional economic hub. Benefits could include better telecommunications and essential services.</p> |

4.3.2 Management and mitigation

- A temporary accommodation plan needs to take account of the extent to which Alice Springs and communities near the project can absorb increases in permanent populations and short-term construction workers.
- Short-term FIFO workers are best quarantined in temporary accommodation, such as a workers' village, to avoid negative impacts on capacity of local accommodation (see also Section 4.2)
- Consider opportunities to collaborate on training that enhances local service delivery, for example in training of Aboriginal health workers in Ti Tree who might benefit from work experience in the project's medical centre.
- The project provides a chance to collaborate with Government, Central Desert Regional Council and other projects to improve infrastructure, such as roads, solar energy, water and telecommunications to support regional economic growth.
- Set up a working party with all government departments to predict and plan for any increased demand for services and infrastructure, in particular housing and essential services.
- The impact on local government services through loss of key staff may be harder to mitigate short-term, but there may be opportunities for joint training to help Central Desert Regional Council upskill staff to backfill positions left vacant because of the project and ensure it can continue to provide municipal services.

4.4 Health and wellbeing

Health is described by Vanclay (2003) as “a state of complete physical, mental, social and spiritual wellbeing and not merely the absence of disease or infirmity” or by the World Health Organisation as “a state of complete physical, social and mental wellbeing”. The World Health Organization defines quality of life as “an individual’s perception of their position in life in the context of the culture and value systems in which they live and in relation to their goals, expectations, standards and concerns. It is a broad ranging concept affected in a complex way by the person’s physical health, psychological state, personal beliefs, social relationships and their relationship to salient features of their environment” (from National Wellness Institute of Australia website, nwia.idwellness.org, sighted 28 July 2015).

The mine is likely to rely heavily on a FIFO workforce, which brings with it welfare and mental health issues prevalent in the resource industry, which is predicted to be a significant issue for management given that many of the causes of mental health issues happen away from the workplace.

Public health issues include fears about exposure to radiation and dust. There is a high level of uncertainty about public perception issues, which did not rate highly in SIA interviews but which have the potential to emerge as significant issues. This includes fears relating to waste storage, radiation, contamination of water and spills.

Mitigation strategies will include good workplace wellbeing programs and good communication on risk issues.

Table 4-10: Summary of risks and opportunities for health and wellbeing, indicators and measurement

| Key risk or opportunity | No | Residual rating | Comment | Management | Indicators | Methods to measure |
|--|-----|--------------------|---|--|---|--|
| Project personnel living away from home and lacking family and support networks, leads to and exacerbates mental health issues, including the potential for self-harm. | 12 | Threat High | Working at a remote project away from home and families can lead to loneliness, depression and suicide among FIFO workers. Factors outside the project may lead to poor mental health for individuals, which is difficult to predict. Local workers, if living in temporary accommodation away from family, may experience similar pressures. The results can be self-harm, suicide and impacts on workforce morale and retention. | Trained medical staff on site. Mediation and counselling support by trained offsite specialists. Workplace training and awareness programs for managers. Good, reliable communication infrastructure at site to enable the workforce to communicate with family easily. | Incidents of self harm Staff morale Take up of welfare or support services | Workforce data on self-harm incidents Workforce data on access to services Staff satisfaction surveys |
| Community fear of adverse impact to public health and the natural environment as a result of the project, such as dust, storage and transport of radioactive materials and dangerous goods, pollution from spills or dam failures. | 13 | Threat Medium | While risk ratings for the technical likelihood and consequences of these issues are low, perceptions of risk may be high among the local community in relation to radiation, waste storage, pollution, the failure of tailings dams and risks of chemical spills on site and during transport. This could lead to community opposition and delays with regulatory approvals, conflict between groups and negative impacts on Arafura's relationship with the community. | Transparent communication and community education, including fact sheets, access to experts, taking account of culturally appropriate means of conveying risk and context. Sharing and explanation of baseline data and monitoring results. | Community attitudes | Community attitudes survey Complaints |
| Improved health and wellbeing of workers | n/a | Opportunity Low | The project may have a positive influence on the health and wellbeing of workers, through better incomes or through workplace health and wellbeing programs. However, this would be hard to quantify and was rated as low so not included in risk ratings | Health and wellbeing programs in the workplace. | Health and wellbeing indicators, e.g. prevalence of chronic diseases Medical presentations at local clinic Lost time injuries | Data from clinic about any trends in presentations Company data Number of workers failing drug and alcohol tests |

| Key risk or opportunity | No | Residual rating | Comment | Management | Indicators | Methods to measure |
|--|-----|--------------------|--|--|---|--|
| Reduced substance abuse in the community. | n/a | Opportunity Low | Drug and alcohol policies and workplace programs may contribute to reduce substance abuse in the community. | Health and wellbeing programs in the workplace, perhaps in conjunction with local health services. | and fatalities Participation in life skills programs Drug and alcohol abuse by workers Level of substance abuse Police reports of substance abuse and anti-social behavior Participation in education programs Community satisfaction | Police reports and statistics Number of education programs and number of participants Community survey |
| Increase in prevalence of sexually transmitted diseases (STDs) | n/a | Threat Low | This risk was assessed but considered to be low, particularly after mitigation strategies such as workers living in an accommodation village and Codes of Behaviour. | Codes of Behaviour | Prevalence of STDs in the region Participation in education programs | Health clinic data Number and participation in education programs |
| Increased crime and antisocial behavior | n/a | Threat Low | This risk links to 1 and 2 in Section 4.1 and is included in the consequences of an influx of additional people and increased wages and royalty payments increasing community tensions and substance abuse. It could also result from conflict between workers and the local community, for example workers staying at the Aileron Roadhouse during peak construction. | Codes of Behaviour for workers. | Alcohol-related crime Perceptions of safety Vandalism of project facilities | Police statistics on crime and anti-social behavior Police reports on worker involvement in incidents Community attitude surveys |
| Cross-reference to other sections | | | Risks to human health and safety are covered in 1.2.6 of the risk register, including bushfires, crashes and spills, onsite incidents and explosions. | | Road safety Volume of project traffic on the | Road safety data, e.g. fatalities and injuries on the Stuart Highway attributable |

| Key risk or opportunity | No | Residual rating | Comment | Management | Indicators | Methods to measure |
|-------------------------|----|-----------------|---|------------|---|---|
| | | | Road transport risks are covered in Section 1.2.10 of the risk register. These risks would also impact on community amenity covered in under community cohesion in Section 4.1 of this report. | | Stuart Highway Road repairs as a result of project traffic Number of emergency response incidents | to project traffic Company statistics, traffic counts Government data on repairs and maintenance Police and company data |

Table 4-11: Summary of potential social impacts from these risks and opportunities

| Opportunities | Risks |
|--|--|
| Improved health and wellbeing of workers Reduced substance abuse in the community | Alcohol and other substance abuse by workers and in the community Depression and suicide of FIFO workers Increase in sexually transmitted diseases Increased crime and antisocial behaviour Increased road safety risks Fears about exposure to hazards and radiation |

4.4.1 Key findings

Table 4-12: Key findings from the social impact assessment in relation to health and wellbeing

| Key findings from the social impact assessment in relation to health and wellbeing |
|---|
| <p>There is a gap between the health status of Aboriginal and non-Aboriginal Territorians, including chronic diseases and mental health. While the project may contribute to improved outcomes, through improved socioeconomic status or workplace programs, it will be hard to correlate this against any meaningful indicators. However, poor health is likely to have an impact on employment strategies.</p> <p>Alcohol-related violence is a key issue throughout the Northern Territory. A key fear of many interviewees for the project was how the project might contribute to increased alcohol abuse, fights and domestic violence through increased availability of cash and social tensions of access to benefits.</p> <p>There is likely to be a major component of FIFO workers on the project, particularly with up to 500 workers needed for peak construction periods. This has implications for workers' mental health and potential for substance abuse.</p> <p>While actual risk from radiation and chemicals is considered low in the project risk assessment, perceptions of risks to public health may generate fears about issues such as radiation, dust and pollution from spills and generate conflict and opposition to the project, in turn impacting on community cohesion.</p> |

4.4.2 Management and mitigation

- Increase community wellbeing by incorporating healthy lifestyles programs in its employment and workplace package.
- Drug and alcohol testing can contribute to reduced substance abuse by workers, including volatile substances.
- Road safety risks can be reduced with traffic management plans, not driving at night, codes of behaviour for workers and bussing in workers from Alice Springs and nearby communities.
- Employment and welfare strategies and good communication infrastructure can reduce loneliness and depression of both FIFO and local workers through cultural awareness, rostering, mentoring and workplace environmental issues.
- Monitor and report on amenity issues (e.g. noise and dust), provide transparent reporting of results and ensure good risk communication.

4.5 Natural resources and the environment

Consideration of environmental impacts includes the social consequences of environmental disturbance such as biophysical impacts on land use, quality of water, species, landscape, amenity and rehabilitation of the land. This is particularly acute for Aboriginal people, who retain close spiritual and lifestyle connections with their land.

While actual loss of access to and enjoyment of the natural environment is predicted to be low, there may be negative perceptions of changes to the landscape because of the scale of the project.

Concerns about cumulative impacts on the site are predicted to be minimal but there could be concerns about cumulative industrial and mining development in Central Australia impacting on the environment, in particular water supplies and lifestyle values.

Table 4-13: Summary of risks and opportunities for natural resources and the environment, indicators and measurement

| Key risk or opportunity | No | Residual rating | Comment | Management | Indicators | Methods to measure |
|---|-----|--------------------|--|--|--|--|
| Project provides opportunities for traditional owners to work in land management programs on their own country. | 22 | Opportunity Low | The opportunity to win land management contracts with the project, including monitoring and rehabilitation, provides opportunities for local ranger groups to work on country and enhance their skills. | This was given a low ranking mainly based on Arafura's experience during the EIS but the opportunities remain. Arafura to work with the Central Land Council and a local community reference group to enhance opportunities. | Proportion of environmental monitoring and rehabilitation work done by local ranger groups. Company expenditure on ranger groups. | Employment in ranger groups and contracts awarded to rangers and other contractors. |
| General | n/a | | Other impacts would include the social consequences of environmental risks captured in other sections of the Risk Assessment, including perceptions and fears. This includes 1.2.1 (air quality), 1.2.2 (fauna), 1.2.3 (impacts on flora including clearing), 1.2.4 (impacts on groundwater such as draw down, seepage and tailings failures), 1.2.9 (contamination of surface water). | | Area of land cleared Project delays because of community opposition Water consumption and water quality results Radiation monitoring results Area rehabilitated Noise levels and complaints Dust levels and complaints Number of environmental incidents reported Community satisfaction | Company reports Environmental Management Plan Grievance register, number of complaints Community attitudes survey |



Table 4-14: Summary of potential social impacts from these risks and opportunities

| Potential opportunities | Potential risks |
|---|---|
| Gain of biodiversity of species and habitat | Environmental risks impacting on the use and enjoyment of the area Hydrological risks impacting on the availability and quality of groundwater Impacts on amenity, such as noise and dust |

4.5.1 Key findings

Table 4-15: Summary of key findings from the social impact assessment

| Summary of key findings from the social impact assessment |
|--|
| <p>Any environmental impacts are likely to have consequent social impacts, in particularly for Aboriginal traditional owners and pastoralists. This could include changes to the landscape, impacts on habitats and groundwater, noise and dust affecting amenity and reduced access, flora and fauna impacting on traditional activities such as hunting and food-gathering.</p> <p>Water in particular has important cultural values for Aboriginal people, connecting with dreamings, traditional patterns of mobility, access to soaks and associations with water courses. Although hydrological studies suggest negligible impact, there are likely to be fears about any impacts on water quality and availability.</p> <p>Aboriginal people are keen to do any jobs on their own country, particularly land management jobs such as ranger programs.</p> |

4.5.2 Management and mitigation

- Transparent monitoring and reporting of all environmental and biodiversity issues.
- Clear and appropriate communication on issues of concern such as water quality, radiation and likely visual impacts.
- An adaptive management approach to any emerging issues of concern, e.g. by varying monitoring programs and making expert advisers available to answer questions.
- Maximise opportunities for Aboriginal people to be involved in land management, through ranger programs.



4.6 Culture and way of life

In general, the project is expected to have minimal impact on Aboriginal lifestyles and culture except, perhaps, through indirect impacts if the mine challenges cultural authority or contributes to the breakdown of traditional law and cultural practices.

The mine could impact on the broader lifestyle and culture of the region if mining replaces pastoralism as the predominant economic sector and brings in workers and their families who have no connection to or appreciation of the area's strong pastoral way of life. However, this likelihood is considered as low.

Table 4-16: Summary of risks and opportunities for culture and way of life, indicators and measurement

| Key risk or opportunity | No | Residual rating | Comment | Management | Indicators | Methods to measure |
|---|-----|-----------------|---|---|--|---|
| Project activity results in perceptions by pastoralists and recreational users and traditional owners of a changed landscape and restricted access to traditional lands and conservation zones. | 15 | Threat Low | Reduced access to country could have impacts on cultural activities, such as hunting, camping and gathering of food, medicine or materials for art. Reduced access to recreational areas, such as Annas Conservation Reserve, could impact on perceptions of quality of life although this would impact on a small number of people. Aboriginal connections to land and water are important aspects of culture. If people feel their landscapes and lifestyles have been changed, they may feel displaced by mining activity. | Agreements to allow continued access for cultural activities. | Community satisfaction Special sites in exclusion zones | Complaints Data on number of sites disturbed, damaged or in exclusion zones Cultural Heritage Management Plan register Community attitude survey |
| Project accelerates cultural change of local Aboriginal communities, including reduced strength of culture, language and customs. | 16 | Threat Low | Reduced strength of culture may be the result of or contribute to reduced community cohesion and resilience, including a decline in respect for traditional authority and undermining of traditional governance structures (covered above in Section 4.1) | Cultural and Heritage Management Plan Cross-cultural awareness programs and inductions of workers. | Level of cross-cultural awareness | Number of cross-cultural awareness courses run. Staff attitude surveys. |
| Retention of culture through greater market for art and support for cultural programs. | n/a | Low | This opportunity was assessed as immaterial, although the project may increase opportunities for local art sales and sponsorship of cultural activities. | Community relations and community investment. | Sales of local art by project workers | Art sales |
| Cross-reference | | | Other cultural and heritage risks are covered in the risk assessment at 1.2.5, such as impacts on sites through destruction or vibration and drawdown of soaks with cultural significance. | Identifying known sites and ensuring exclusion zones where practicable | Incidents | Cultural Heritage Manager Plan and record of any incidents. |

Table 4-17: Summary of potential social impacts from these risks and opportunities

| Positive impacts | Negative impacts |
|---|---|
| Retention of culture through greater market for art and support for cultural programs | Lifestyles and livelihoods disrupted by reduced access to land Impacts on heritage, spiritual connections or sacred sites through damage Reduced sense of culture and attachment to place |

4.6.1 Key findings in relation to culture and heritage

Table 4-18: Key findings from the social impact assessment in relation to culture and heritage

| Key findings from the social impact assessment in relation to culture and heritage |
|--|
| Many factors have already impact on the culture and way of life of Aboriginal people, which could be further undermined by challenges to traditional authority and connections to country. Any impacts on land and water could undermine spiritual connections to land. |

4.6.2 Management and mitigation

A cultural awareness program, including the significance of sacred sites, should be mandatory for all management staff and workers and is a chance for local traditional owners to develop consultancies to deliver such programs.

The project can help maintain culture, by learning from traditional knowledge in relation to land management, respecting Anmatyerr culture and commissioning art and sponsoring activities that maintain stories and culture.

4.7 Human rights

In general, it is not envisaged that the project would have a strong impact on human rights, which are protected by a number of statutes and native title organisations, including the Central Land Council (CLC).

The key impacts on rights are more likely to be unintended, such as gendered impacts (factors that particularly impact on women such as family responsibilities) reducing workforce participation by women or racism experienced by workers.

There is also an opportunity to contribute to a key human right, described in Article 25 as “the right to a standard of living adequate for the health and wellbeing of himself and of his family, including food, clothing, housing and medical care and necessary social services”.

Table 4-19: Summary of risks and opportunities for human rights

| Key risk or opportunity | No | Residual rating | Comment | Management | Indicators | Methods to measure |
|---|-----|-----------------|---|--|--|--|
| Human rights breaches, including inequitable access to jobs, breaches of labour laws, lesser access by women to jobs and human rights breaches in the project's supply chain in Australia and overseas. | 17 | Threat Low | Vulnerable and marginalised populations are more likely to have their human rights infringed. Key risks could include inequitable access to jobs by women, abuse of work experience programs, under-payment of low-skilled local and overseas workers and breaches of human rights in the project's supply chain. The consequences are reduced quality of life for workers and potential reputational damage for the project. | Incorporating cultural considerations into workplace plans. Good awareness of human rights and labour obligations by project managers. Cross-cultural awareness training for staff and contractors. Performance criteria mandated in contracts to ensure adherence to human rights and labour requirements. | Compliance with labour laws Diversity of workforce, including women Community satisfaction | Reported grievances or complaints Workforce statistics on diversity Programs to support diversity Provision of childcare Staff and community surveys |
| Project proponent and non-local workers exhibit racist behaviours in the workforce. | 18 | Threat Low | Racism may be inadvertent or thoughtless but the consequences include reduced opportunities for local people and issues with morale, retention, mental health and community relations. Aboriginal people moving to Alice Springs for work with the project may also experience racism in Alice Springs, for example when seeking accommodation. | Cross cultural awareness training for staff and contractors. Performance criteria in contracts and Codes of Behaviour for workers. Mentoring and support to resolve any issues. | Prevalence of complaints | Complaints or grievances. Staff survey. |
| Free, prior and informed consent | n/a | Threat | Proponents should ensure vulnerable people are able to provide free, prior and informed consent when making agreements on projects. This was rated as low risk due to the role of the CLC in representing the interests of traditional owners during agreement making in addition to communication by Arafura. | Good communication with traditional owners. Role of the CLC in representing the interests of traditional owners under the <i>Native Title Act</i> . | Community satisfaction. | Community attitude surveys. |

Table 4-20: Summary of potential social impacts from these risks and opportunities

| Potential negative impacts |
|--|
| Infringement on Aboriginal human rights, including racism, inequitable access to jobs, labour rights and reduced access to decision-making by vulnerable populations. The key non-Aboriginal infringement of human rights is the potential for infringement on property rights. |

4.7.1 Key findings from the social impact assessment

Table 4-21: Summary of key findings in relation to impacts on human rights

| Summary of key findings in relation to impacts on human rights |
|--|
| Infringement on Aboriginal human rights, including racism, inequitable access to jobs, labour rights and reduced access to decision-making by vulnerable populations. The key non-Aboriginal infringement of human rights is the potential for infringement on property rights. |

4.7.2 Management and mitigation

- Make managers aware of the potential for human rights abuses (or breaches of good workplace practices), how people can safely raise any concerns and ensure there are appropriate grievance procedures and remedies available.
- Cultural awareness training will help other workers understand what constitutes breaches, such as racial discrimination in the workplace.
- CLC to ensure free, prior and informed consent of native title holders during agreement making.

5. MANAGEMENT PLANS AND POLICIES

The following outlines of management plans referred to in the Social Impact Management Plans have been developed to ensure Arafura manages the Nolans operation in compliance with its regulatory obligations, ensuring stewardship of the environment and the safety of all workers, contractors and members of the community. These plans set performance objectives for which Arafura will report progress in its annual Sustainability Report to provide transparency to the community. These plans will be finalised once the project achieves its financial investment decision and will contain action plans and mechanisms for the community to review the results.

The SIMP complements several other management plans attached to the Environmental Impact Statement:

- Environmental/Biodiversity Management Plan
- Traffic Management Plan
- Radiation Management Plan
- Culture and Heritage Management Plan
- Waste Management Plan.

5.1.1 Employment and Workplace Development Plan

The employment and workplace development plan will be prepared before Arafura and its contractors start construction. This plan will link to any agreement signed with traditional owners through the CLC. Key elements may be:

- opportunities for direct and indirect jobs, timing (construction or operational) and duration
- a skills audit of the potential local workforce (from Alice Springs and nearby communities such as Laramba and Ti Tree) and gap analysis that includes current skills, likely aptitude for various positions available and best training approach
- an employment strategy for women
- liaison with local multicultural committees to explore employment of migrants living in Alice Springs
- liaison with the Department of Correctional Services' 'Sentenced to a Job' program, particularly for peak requirements where the local labour force may not be available to explore where prisoners can produce goods and services
- the proposed HR regime and employment approach (direct jobs, through contractors, labour hire)
- an Aboriginal employment and training strategy, including pre-employment programs, mentoring and support programs such as life skills and money management
- how other workers will be sourced (e.g. skilled migration, fly-in fly out)
- a recruitment strategy for long-term workers to relocate with families to Alice Springs
- proposed rostering, transport of workers to site and on site accommodation
- cross-cultural training

- code of behavior for workers, e.g. areas off limits, interaction with the community, respect for cultural sites (see below)
- work health and safety plans, e.g. zero tolerance of drugs and alcohol, fatigue management
- safety issues for commuting workers (e.g. provision of transport, communications, fatigue and the condition of the roads, driver courtesy)
- how the employment and workforce plan will be managed with sub-contractors
- longer-term employment pathways, such as working with the Department of Education on vocational education and training programs, workplace training, work experience for school students
- reporting progress against agreed targets and reasons why targets may not have been met.

5.1.2 Local Industry Participation Plan

Arafura and its contractors will give priority to sourcing supplies and services from commercially competitive local (regional and Territory) businesses that meet the company's safety, quality, financial stability and workplace standards.

This will be achieved through a local procurement policy that may cover:

- advance planning and communication of likely supply and service packages
- working closely with the Northern Territory Industry Capability Network (ICN) to ensure local companies are aware of packages and have the chance to be considered (including industry information sessions to allow companies to plan)
- working with the ICN to understand local capabilities, which may influence how scopes of work are packaged
- working with the Department of Business to maximise small business opportunities, such as joint ventures, consortia, capacity development and links with Arafura's community benefits programs
- providing incentives to contractors who meet local procurement targets
- reporting against agreed targets for local procurement.

This local procurement policy will need to take account of the cumulative effects of other projects on local capacity, provide clear communication on the length of contracts to ensure businesses are well-prepared and don't over extend in anticipation of work, manage expectations and communicate reasons why local companies may be missing out on contracts.

5.1.3 Community Engagement Plan

Consultation for this project has been guided by an initial community engagement plan and a separate community engagement plan for preparation of the Environmental Impact Study and Social Impact Assessment. This strategy covers key stakeholders, issues analysis and summary of preferred communication tools to suit different audiences.

The engagement strategy is in line with the International Association for Public Participation (IAP2) Core Values, Code of Ethics and Spectrum of Public Participation which provides guidance on the level of participation according to levels of interest and impact, the complexity of a project, levels of uncertainty and likely community perceptions or fears.

This engagement strategy will be continued and revised to cover the construction and operational phases of the project. This gives the community an opportunity to contribute to decision-making, provide feedback and insights, raise issues and receive information from the company.

These initiatives may include:

- reporting against an annual sustainability plan or annual report card against goals
- a community reference group covering traditional owners and other key families and stakeholders such as the Central Land Council, Northern Territory Government and Central Desert Regional Council that could meet periodically to discuss issues such as worker behavior, employment, community benefits, environmental monitoring (need to agree on governance, ensure it is representative of the community, agree on priorities and terms of reference, publication of minutes, reporting, annual surveys to determine satisfaction with the process)
- roles and responsibilities, including an Arafura community liaison officer and local office
- engagement activities such as community information sessions, family days, site visits, website, displays at local shows and shopping centres, briefings
- a grievance procedure/issues register (see below)
- a sponsorship or community investment policy
- ongoing communication with the community
- mechanisms for regular review and evaluation.

5.1.4 Community Benefits Trust

Arafura wants to ensure the agreed benefits go to local people, some of which is covered in the above management plans.

A community benefits trust will be negotiated between Arafura and the Central Land Council (on behalf of the traditional owners), as part of the company's mining agreement with traditional owners. This agreement will specify the roles and obligations of both parties. The agreement could include some or all of the following:

- roles and responsibilities of each party;
- the formation of a reference group;
- principles and objectives for how benefits are distributed (e.g. whole of community vs. families, not for infrastructure the government would already be providing);
- benefits such as upgraded infrastructure (e.g. road and telecommunications);
- commitments regarding employment;
- transparency around the quantum and distribution of the benefits;
- percentage to be invested in community development or long-term investment;
- how will it be reviewed and reported against (e.g. annual report published);
- level of ongoing community engagement regarding projects to be funded;
- governance structures;

- responsibility for community development projects;
- environmental management;
- cultural heritage site management; and
- business support.

5.1.5 Grievance procedures/issues register

An effective grievance procedure will ensure the community is able to raise issues of concern, be confident these issues will be taken seriously and responded to or addressed, provide a mechanism for prompt identification of emerging issues and guide reporting on community issues.

The grievance mechanisms could include:

- an outline of how to report issues (e.g. 1800 number, emails, phone number, community liaison officer)
- protocols for Arafura to respond (including timelines for a response)
- an issues register
- annual reporting on complaints and their resolution, including analysis of systemic issues.

5.1.6 Code of conduct for workers

A key element of the company's relationship with the community is to ensure the community understands that Arafura will implement a Code of Conduct for workers and contractors at the Nolans site.

The Code of Conduct will be enforced and will be a key element of the induction process.

Elements could include:

- cultural awareness training and agreement on unacceptable behavior in the workplace and community
- a zero tolerance policy for drugs and alcohol in the workplace
- rules about transport to work that limit private use of vehicles
- not bringing pets and firearms onto worksites
- rules about driver behavior in company vehicles, such as driving responsibly, road safety
- awareness of volatile substance abuse and how volatile substances should be stored
- rules about visits to nearby communities (based on what the community wants)
- protecting cultural sites, 'no go' areas and cultural site management
- agreement on traditional owners' access to cultural areas
- an outline of grievance procedures and remedies
- rules about accommodation and travel to monitor impacts on local and tourist facilities
- expectations about worker behavior in Alice Springs during transit or on days off
- protocols such as commenting to the media, contacting traditional owners.

6. MONITORING/MEASUREMENT

Arafura will produce an annual Sustainability Report that includes a community report card summarising the company's success in meeting its performance targets.

There are various approaches that can be adopted, including:

- Sustainable livelihoods approach, that develops a score card of various capitals that should be in equilibrium to ensure continued community cohesion and resilience;
- Social performance approach, e.g.
 - how to meet regulatory requirements
 - mitigating negative effects on business activity
 - providing agreed benefits to host communities
 - contribute to overall business planning.

The following is a draft sustainability policy that could form the basis of monitoring and reporting.

6.1 Arafura's sustainability policy

Arafura is committed to sustainable development, as outlined in the Minerals Council of Australia's 'Enduring Values' report, which defines sustainability in the mining sector as investment that is financially profitable, technically appropriate, environmentally sound and socially responsible.

For Arafura, sustainability means operating in an ethical way to leave an enduring legacy from its project. It also means that current and future generations suffer no actual or perceived harm, or detriment, from our activities.

To achieve this, Arafura's objective is quality and ongoing consultation to ensure it is listening to community aspirations and concerns.

Arafura will focus on transparency and good communication to build trust and good relationships and ensure the company earns its 'social licence to operate' or community acceptance of its operations.

This will deliver better outcomes for Arafura and its staff, shareholders, the community in which the company operates and for its government and business partners.

Arafura will produce an annual Sustainability Report outlining its performance in the communities in which it operates.

This will become increasingly detailed as Arafura moves from exploration and planning into operations.

Social performance

Arafura's social performance plan will, as a minimum, meet a 'do no harm' approach in looking at ways to be a good neighbour so it delivers the benefits sought by communities in the areas where we work.

This includes a sponsorship program that supports community activities and encourages children to attend school.

When Arafura is working on land where native title applies, it will use its best endeavours to negotiate a community benefits package that builds social and economic capital. The agreement will implement governance structures to maximise community input to the distribution of benefits while seeking to minimise unintended consequences of the company's activities.

Reporting: Annual sponsorship program and community involvement report, number of community reference groups, attendance, activities in the community, any social impacts identified and addressed, communication, reports on grievances and their resolution.

Environmental performance

Where environmental impacts are understood, Arafura will adopt a rigorous adaptive management approach to ensure it constantly monitors its activities and makes appropriate changes to mitigate any resulting harm to the environment.

Where there is uncertainty about potential impacts, Arafura will adopt a precautionary approach, taking extra care to research, monitor and plan our activities.

In particular, Arafura respects the cultural and spiritual connections of Aboriginal people to their country. The company will avoid disturbance to any sacred or special areas. Where this is not possible Arafura will consult with local people and the relevant regulatory bodies to gain approval prior to disturbance. Where practicable, Arafura will employ local people to work on land management, surveys, monitoring and rehabilitation of their country.

Reporting: Annual environmental performance, any incidents, results of all environmental monitoring, any environmental offsets or rehabilitation programs.

Economic performance

Arafura's financial performance will deliver good returns to our shareholders as well as economic benefit to the regions in which it is operating.

This will be based on good governance, prudent financial management and adapting procurement policies to give opportunities to local and Territory small businesses to work with Arafura.

Reporting: Annual financial results to our shareholders, reports on number and value of local contracts awarded, enterprise development, local jobs and apprenticeships.

People performance

Arafura intends to be an employer of choice so it attracts the best people to work on the Nolans project.

It will incorporate culturally appropriate recruitment and retention strategies, focus on the wellbeing of its staff and reward people for good work.

Arafura recognises that its project can help reduce the disadvantage experienced by Aboriginal people, so the company will act with genuine good will and intent to employ and train local Aboriginal people.

Reporting: A range of people indicators, including job satisfaction, lost time injuries, employee retention, number and retention of Aboriginal workers, workforce diversity, training achievements, apprenticeships, cross-cultural training, compliance with workplace agreements, skills audits, work with immigrant groups, pre-employment courses, literacy and numeracy, support programs.

6.2 Indicators and monitoring

Arafura will work with a community reference group (if appointed) to agree on realistic achievable targets and how these might be measured each year. This will be a two-way process. For example, if employment targets aren't met, the company could discuss the reasons with the community while the community can provide feedback on how to do better against targets in the future, e.g. people not showing up to work, money problems, failing drug and alcohol tests.

Based on the above analysis, it is suggested that some of the following key indicators could be selected:

- number of Aboriginal jobs (and proportion of people who were previously unemployed)
- number and diversity of local employees
- staff retention rates
- number of apprenticeships and training courses
- local procurement (value and number of local contracts)
- number of local enterprises started because of the project
- expenditure on regional and community infrastructure
- contribution to local economy (royalties, taxes, modelling of direct and indirect expenditure)
- housing statistics (families buying or renting in Alice Springs, temporary accommodation provided, hotel rooms taken)
- research on economic indicators, such as regional income, cost of living, home ownership, participation in education, workforce participation
- number and type of complaints received and resolved
- sponsorships and outcomes of community investment programs
- community satisfaction surveys.

7. COMMITMENTS REGISTER

In summary, Arafura's objectives are to:

| Commitment | Responsibility | Accountability |
|--|---|--|
| 1. Establish community reference group | Arafura to prepare terms of reference and discuss with the community, e.g. membership, meetings, objectives. Arafura to be responsible for establishment and resourcing (e.g. travel costs, secretariat). | Annual report approved by the community reference group and submitted to Arafura's Board |
| 2. Develop indicators to be monitored | Arafura to develop, in consultation with community reference group, key indicators to be monitored and reported on annually, e.g. Aboriginal jobs, local contracts, environmental monitoring. Arafura responsible for monitoring. Arafura will produce annual reports against these indicators. | Annual report as above |
| 3. Report card/sustainability report | Community reference group to review annual performance report and provide comment and feedback. Arafura responsible for production. | Annual production |
| 4. Grievance process | Arafura to develop grievance protocols including a register to record, resolve and report on issues raised. Annual report on resolution of grievances, including any systemic issues or emerging issues to be managed and how these will be dealt with. | Annual grievance report |
| 5. Management plans | Arafura will produce the following management plans and make them available on its website: <ul style="list-style-type: none"> • Environmental, health and safety plan; • Community engagement plan; • Workplace and employment plan; • Traffic Management Plan; • Waste Storage Management Plan; • Local Industry Participation Plan (to be developed after project approval). | Plans to be approved as part of EIS Annual report on any variations made |
| 6. Open local office | Arafura will open an Alice Springs office after the final investment decision on the project. | Office opening |
| 7. Community liaison officer | Arafura will employ a community liaison officer. | Report to community reference group on progress. |
| 8. Communication | Arafura will establish an annual budget for continued communication on the project, e.g. website, newsletters, community displays. | Report to community reference group on progress. |
| 9. Sponsorship | Arafura will establish an annual budget for sponsorship of projects within its area of operations | Annual report on sponsored projects as part of sustainability report. |
| 10. Community benefits trust | Arafura will negotiate a community benefits package as part of the agreement with the CLC on behalf of traditional owners. | Parts of this agreement may be confidential. To be agreed on public reporting. |
| 11. Cultural awareness | Arafura will require all staff and contractors to complete cultural awareness training as part of the company's induction processes. Where possible, this will use Anmatyerr consultants or companies. | Records will be kept of completion and reported against. |