



Appendix K1 Provisional Social Impact Management Plan



Sherwin Iron (NT) Pty Ltd
Sherwin Creek Iron Ore Project
Environmental Impact Statement



2013





PROVISIONAL SOCIAL IMPACT
MANAGEMENT PLAN SHERWIN CREEK IRON
ORE PROJECT

PROVISIONAL SOCIAL IMPACT MANAGEMENT PLAN: SHERWIN CREEK IRON ORE PROJECT

6 SEPTEMBER 2013

Table of Contents

1.0	INTRODUCTION	1
1.1	Purpose of this plan	1
1.2	Relevant legislation.....	2
1.3	Scope of this plan.....	2
1.4	Background information	2
1.5	Impact Management	4
2.0	STAKEHOLDER ENGAGEMENT PLAN	5
2.1	Risk assessment.....	6
2.2	Performance management measures.....	7
2.3	Implementation Strategy	8
2.4	Monitoring	9
2.5	Contingencies and corrective actions.....	9
3.0	COMMUNITY COHESION AND SAFETY MANAGEMENT PLAN	11
3.1	Risk assessment.....	11
3.2	Performance management measures.....	12
3.3	Implementation Strategy	13
3.4	Monitoring	13
3.5	Contingencies and corrective actions.....	15
4.0	COMMUNITY DEVELOPMENT (SOCIAL CAPITAL) PLAN	16
4.1	Risk assessment.....	16
4.2	Performance management measures.....	17
4.3	Implementation Strategy	18
4.4	Monitoring	18
4.5	Contingencies and corrective actions.....	19
5.0	COMMUNITY DEVELOPMENT (INFRASTRUCTURE) MANAGEMENT PLAN	20
5.1	Risk assessment.....	21
5.2	Performance management measures.....	22
5.3	Implementation Strategy	23
5.4	Monitoring	24
5.5	Contingencies and corrective actions.....	25
6.0	PLAN REVIEW	25

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Executive Summary

Approval of Sherwin Iron's plans to develop the Sherwin Creek iron ore reserves located on Mt McMinn cattle station in the Roper River region has the potential to have a significant economic impact on several Aboriginal communities located nearby. While it is Sherwin iron's intent to have a long-term positive impact on the region, through provision of employment and business development opportunities, there are a number of risks involved with the opportunities that will need to be carefully managed to produce a net positive outcome.

This Social Impact Management Plan (SIMP) is required under the EIS approvals process and is designed to identify pathways through which the economic and social benefits of the project can be maximized. In the plan, principal impacts are broken down into four categories, each of which has a separate plan defined to make management more practical. The four sub-plans address:

- i) Stakeholder Engagement;
- ii) Community Cohesions and Safety;
- iii) Development of Social Capital; and
- iv) Development of Community Infrastructure.

Standard systems of risk analysis have been applied to each sub-plan to identify the major risks around which management objectives, targets and strategies are developed. Sets of monitoring criteria through which progress against the objectives and predefined targets can be measured have been outlined. Where they could be identified, contingencies have been included in an effort to consider how to address unforeseen issues that might arise from time to time or under circumstances where the plan might fail.

The SIMP holds a strong focus on consultation with and engagement of traditional owners. This will help Sherwin iron meet its commitments to lift economic development and standard of living in the region through employment of a high percentage (30%) of Aboriginal people in the Project and development of specific business opportunities in local communities.

The SIMP is therefore built around a hierarchy of management principles – firstly to avoid negative impacts, second to protect communities from adverse impact and finally to manage and minimise impacts as they occur. Management of risk will be undertaken in accordance with legislated requirements and Sherwin Iron's suite of best practice protocols and procedures.

Under this plan, impact management is risk-based, performance oriented, strategic and auditable – creating a process that can be readily integrated into Sherwin Iron's wider, quality controlled cultural management system. This is in line with the company's philosophy of continuous improvement where the SIMP and each of its sub-plans will be re-assessed and updated regularly to ensure that only the most up-to-date information is used, thus creating the flexibility and adaptability that is required to ensure the plan always remains current and effective.

1.0 INTRODUCTION

The concept of the 'social licence to operate' has become an important feature of modern mining activities. It describes the level of acceptance a community holds towards a mining company and its projects and the key to its acquisition is the development of strong, positive, sustainable and working relationships. The Social Impact Management Plan (SIMP) is a recognised best practice tool that is used to describe the benefits and risks associated with a project and help define what is needed to create such relationships.

There are many aspects of society where a new mining project can have a positive impact – increased employment; business development and support; decrease in poverty; improved infrastructure and facilities and education assistance. However, there are also negative impacts as increased disposable income may result in increased crime, higher incidences of disease and attract an increase in population that outstrips existing facilities. More importantly, communities are often left vulnerable and unsustainable once closure occurs.

In addressing the potential effects of the Sherwin Creek Iron Ore Project (the Project) on nearby communities, Sherwin Iron seeks to provide nearby communities with the opportunities to become self-sufficient in the short-term, with a view developing sustainability in the post-mining environment. This view has largely driven and defined Sherwin Iron's 'social licence to operate' and is manifest in the outcomes of this SIMP.

1.1 Purpose of this plan

The SIMP serves to highlight the risk and benefits to social activities and structures that are likely to result from mining activities at the Project. It has been prepared pursuant to a formal assessment of risks to the social environment and is informed through discussions with key regional stakeholders.

Principle benefits identified and concerns raised have been grouped into four major categories. A management sub-plan has been prepared for each of these as part of the SIMP. Although the plans can be individually used, there are a high number of inter-related issues, so they should be considered collectively when actions are being determined. The following management sub-plans are attached as separate sections in this document:

- 1) Stakeholder Engagement;
- 2) Community Safety and Cohesion;
- 3) Community Development (Social Capital); and
- 4) Infrastructure, Land and Services

The Roper River region contains a high proportion of Aboriginal people (~92%) who maintain strong links between social and cultural matters. This means the SIMP is heavily influenced by culture and should be read in conjunction with Sherwin Iron's Cultural Heritage Management Plan (CHMP) as this will place the formal social risk assessment into its most accurate context.

The SIMP represents a strategy through which Sherwin Iron's corporate objectives of managing impacts and risks will be achieved. It is a practical demonstration of the company's commitment to beneficial and sustainable social outcomes from the Project. The plan's practical outcomes include:

- outlining the objectives and strategies that are required to maximize benefits and minimise impacts from operations at the Roper River Iron Ore mine;
- strategies that allow benefits and impacts to be monitored and managed over the course of operations;
- a demonstration of compliance with commitments made in Agreements between Sherwin Iron, traditional owners and the NLC; and
- a demonstration of compliance with leading practice in social sustainability and impact management.

The SIMP will be subject to periodic review, in line with Sherwin Iron's commitment to continuous improvement. This will allow the plan to undergo the necessary improvements required to demonstrate that the imperative to create long-term sustainable systems is being met.

1.2 Relevant legislation

There is no specific legislation that compels Sherwin Iron to manage its social impacts. However, good corporate citizenship and the desire for community acceptance of its project create an imperative for development of sustainable social systems and transparent operations and acquisition of a positive and strong 'social licence to operate'.

1.3 Scope of this plan

This plan applies to all areas of land covered by the Project, as shown in Figure 1. It remains current for the life of the project, but will be subject to periodic review. The plan will also be reviewed should Sherwin Iron include additional resources into its mining plans in the future.

1.4 Background information

The Project is located approximately 540 kms south-east of Darwin. It is accessed via the Stuart Highway south to Mataranka and then approximately 160kms east along the Roper Highway towards the Gulf of Carpentaria. Although Sherwin Iron holds four contiguous exploration tenements (one of which is not yet granted) in this area, the Project refers here only to Deposit C – a JORC compliant deposit of 18.4Mt iron ore, located wholly within Mt McMinn Station. Sherwin Iron initially plans to recover only the direct shipping ore (which has iron concentrations >62%) from Deposit C over a period of seven years. Once the mine is well-established, the intent is to recover and beneficiate the larger, lower grade ore deposits for export. This will significantly expand the mine's life to a period anticipated to be well in excess of 30 years. Sherwin Iron therefore expects to play a major role in shaping regional economics in the immediate future.

Deposit C is subject to Native Title Claim DC01/64. The principal claimant groups for DC 01/64 are the Alawa and Mumbaliya people. These groups still maintain a rich cultural heritage that extends many thousands of years into the past and their connection to the land remains expressed primarily through a body of traditional knowledge inexorably connected to places (sacred sites) and archaeological features.

Ethnographically the people are a mixture of several different clan groups (predominantly Alawa and Mumabliya); some of whom are married into neighbouring clan groups (e.g. Mara and Ngalakan). Principle languages spoken are Ngukurr Kriol and English, but Aboriginal languages such as Alawa and Ngalakan are rapidly becoming extinct.



Figure 1: Location of the Sherwin Creek Iron Ore Project.

The Project is located within the Roper Gulf Shire, the nearest communities being Minyerri, Urapunga and Ngukurr. 2011 census data (Australian Bureau of Statistics, 2012) indicate they are predominantly Aboriginal communities characterized by low income, overcrowding, relatively young populations and high rates of illiteracy and unemployment (averaging 24%). There are currently few local work opportunities available for people from these communities, however prospects appear to be improving with the establishment of first, the Australian Ilmenite Resources mine at Namul-Namul, followed by the Western Desert Resources Iron Ore mine near Towns River and now, the Sherwin Iron Project.

Although definitive statistics are hard to find, most community crime and health issues appear to be related to high use of tobacco, alcohol and some illicit drugs (ref). Despite the high levels of despair that this can create, these communities retain a generally positive outlook for the future. This includes plans to develop a number of tourism related ventures designed to bring visitors and cash flow to the region.

Apart from mining and some limited oil and gas exploration, the only industry of note operating in the region is the cattle industry. Only one station is directly impacted by the Project, however ore will be hauled past others located along the Roper Highway. Most of these properties are large, but do not have the feedstock capacity to carry larger herds. They employ only small numbers of people and provide only small economic stimulus to the region.

1.5 Impact Management

Consultation with communities and individuals indicates that there is an expectation that Sherwin Iron will inject a significant amount of capita; into the region. This has created further expectations that local and regional unemployment will fall, business opportunities will arise and the general standard of living will increase. It is anticipated that benefits will be further magnified as a result of the cumulative impact of three mines (Sherwin Iron, Western Desert Resources and Australian Ilmenite Resources) becoming established within a relatively short period.

Expectations are now high and it is important to ensure that they are managed well, or community dissatisfaction may ensue and Sherwin Iron may struggle to maintain confidence and trust amongst its stakeholder. To achieve this four management plans have been prepared – each covering different aspects of best practice public participation. Each of these plans has been prepared in a manner that considers all of the matters raised during consultations and seeks to resolve them by generating a net positive benefit for community and regional residents wherever possible.

2.0 STAKEHOLDER ENGAGEMENT PLAN

This document is the Stakeholder Engagement Plan for the Sherwin Creek Iron Ore Project (Project). It describes how Sherwin Iron will manage stakeholder relations and consultation over the course of the project and the rationale behind the plan and the company's wider management framework. Although specific to the Project, it serves also as the basis for further mining activities in the region, should they occur.

Stakeholders may be viewed as those groups within the community that are impacted by, or can have an impact on a company's actions. Effective involvement of stakeholders throughout the project is crucial if the company is to build and maintain strong and fruitful relationships with the community and effectively manage aspirations and expectations. It is important that the engagement process ensures stakeholders have a realistic understanding of the opportunities and impacts likely to occur because this will reduce the risk that tensions between communities, other stakeholders and the company will develop.

More recently, stakeholder engagement has come to be viewed as an important part of a company's 'social licence to operate'. The 'social licence to operate' is a concept, defined as something that exists once a project has ongoing approval and acceptance within the local community and amongst other stakeholders. Sherwin iron is mindful of its need for an ongoing social licence and has committed to a process of continuous stakeholder engagement to ensure the ongoing success of the project. The framework of this process is based around international best practice principles for public participation (Andre et al, 2006), which are outlined below.

Sherwin Iron's stakeholder engagement framework is:

- adapted to the socio-cultural context, which in this case is primarily based upon traditional Aboriginal culture;
- informative and proactive, and recognises the community's right to be involved at all stages of the project through early and ongoing consultation;
- adaptive and communicative, making the process transparent and evolving where necessary in response to stakeholder input;
- inclusive and equitable, by ensuring all interests are respected; and
- cooperative and imputable, by promoting cooperation and consensus building where these lead to improved project outcomes.

The framework contains a number of key documents:

- A corporate stakeholder engagement policy
- Stakeholder engagement procedures and protocols; and
- The stakeholder engagement plan.

Sherwin Iron’s stakeholder engagement plan is based upon an integrated performance management system – where management objectives, based on risk, are identified and targets and strategies set to ensure that the objectives are being met in an effective and efficient manner. Periodic monitoring is engaged and specific performance indicators used to demonstrate the degree to which the company is successful in meeting its targets and management objectives.

2.1 Risk assessment

Risks specifically related to the stakeholder engagement process have been identified using the AS/NZS ISO 31000:2009 standard approach and are reported in Table 2-1.

The key drivers of risk have been summarised as lack of inclusion, poor communication and a failure to address concerns and meet expectations. If these drivers are not managed well, sectors of the community may become alienated, leading to negative impressions and relationships; and ultimately result in the company and community failing to make the most of potential opportunities for local businesses and communities.

Aspect	Impact/Risk	Cause	Likelihood	Consequence	Ranking
Stakeholders have not been engaged	Some stakeholders or groups are alienated	Not all stakeholders have been included in the engagement process	4	2	8 M
	Local business opportunities are lost		3	2	6 M
	Negative relationships with stakeholders		4	2	8 M
	Not all impacts/risks have been assessed and considered		4	2	8 M
	Failure to meet employment targets	Traditional owners have not been fully engaged	2	3	6 M
	Failure to meet terms of the ILUA		2	3	6 M
	Future access to lands for mining is denied		2	4	8 H
	Negative relationships with stakeholders		4	2	8 M
Stakeholder expectations are not met	Negative relationships with stakeholders	Stakeholder expectations are not clearly defined	2	2	4 L
		Stakeholder expectations are unrealistic	3	2	6 M
		Company fails to keep its social promises	2	3	6 M
Stakeholder concerns are not addressed	Negative relationships with stakeholders	Company has inadequate resources to address concerns	2	3	6 M
		Stakeholder concerns are not based in fact	1	2	2 L

Table 2-1: Analysis of principal stakeholder engagement risks.

2.2 Performance management measures

The principal management objectives for stakeholder engagement relate to stakeholder inclusion and participation in the Project; and through those, development of ongoing, strong and positive relationships. The objectives, with specific targets and performance indicators are listed in Table 2-2. It is worth noting that some of the targets will also constitute targets for other parts of the larger Social Impact Management Plan.

For example, employment and business development targets for Aboriginal people are equally important to the objectives of the Community Development Plan as they are for participatory Stakeholder engagement.

MANAGEMENT OBJECTIVE	TARGET	PERFORMANCE INDICATORS
Consider all interests and concerns related to the project	<ul style="list-style-type: none"> All stakeholders will be identified and consulted prior to project approval 	<ul style="list-style-type: none"> Economic and Social Impact Assessment (ESIA) Risk assessment and development of Social Management Plans Records of consultation required for the EIS
Maintain strong, positive relationships with all impacted stakeholders	<ul style="list-style-type: none"> All complaints will be acknowledged and a resolution sought within 10 working days Ongoing and regular consultation with all stakeholders 	<ul style="list-style-type: none"> Records obtained from web-based feedback system Records of meetings with external stakeholders Mine site Liaison Committee records and reports Annual social and cultural sustainability report
Maximise participation of traditional owners in mining operations	<ul style="list-style-type: none"> Local Aboriginal people will comprise 30% of the mine's operational workforce Mine tours will be provided every 3 months (minimum) >30% of goods and services contracts will be allocated to local businesses 	<ul style="list-style-type: none"> Employment records Records related to development of Aboriginal owned and operated local businesses Records of participation in work required under the CHMP Records of mine tours Contracts are in place with local businesses

Table 2-2: Management objectives for stakeholder engagement.

2.3 Implementation Strategy

The implementation strategy describes the specific actions required to ensure that management objectives and targets will be met. There are three key social aspects that form the basis of a workable strategy for the Project. These are adequate and appropriate communication; awareness of the mining operations and the risks and benefits it creates; and encouraging active participation of stakeholders in the mining process. A series of discrete actions, which are measurable and have timelines, are described in Table 2-3.

It is worth noting that some of the actions described will also be used as part of the implementation strategies for other parts of the Social Impact Management Plan. For example, the identification of employment and training opportunities for Aboriginal people and provision of support for business development are equally applicable to the Community Development Plan.

ASPECT	ACTION	TIMELINE
Communication	<ul style="list-style-type: none"> • Create a web-based application that provides two-way communication between external parties and Sherwin Iron. • Establish mine and/or community-based personnel as points of direct contact. • Establish Liaison Committee meetings as required under the Agreement(s) • Establish a schedule of periodic meetings between Sherwin Iron and other affected stakeholders (e.g. cattle stations). 	<ul style="list-style-type: none"> • December 2013 for operation throughout the project • August 2013 • Quarterly • Six monthly
Awareness	<ul style="list-style-type: none"> • Schedule periodic tours of the mining operations for traditional owners and community members • Schedule regular updates and post on community billboards or in local newspapers • Undertake annual awareness and promotional sessions 	<ul style="list-style-type: none"> • Throughout the project • Quarterly • Annually
Participation	<ul style="list-style-type: none"> • Identify and provide financial support for appropriate cultural activities • Work program meetings as required under the Agreement(s) • Identify and provide employment and training opportunities for local Aboriginal people. • Through the CHMP, work in close association with traditional owners and Government to identify and protect areas of cultural and heritage value. • Identify and provide support for business opportunities that are mutually beneficial to Sherwin Iron and local communities 	<ul style="list-style-type: none"> • Annually • Annually • Throughout the project • Throughout the project • Throughout the project

Table 2-3: Strategies for implementation of Stakeholder Engagement Plan

2.4 Monitoring

The monitoring program is designed to measure the success of implementation strategies and actions against management objectives and targets. It works through a series of procedures and protocols that provide outcomes against the aspects of the implementation strategy that can be tracked across the life of the project and which are reported as the performance indicators listed in Table 2-2.

The principle monitoring parameters and frequency of monitoring for the Stakeholder Engagement Plan are provided in Table 2-4.

ASPECT	PARAMETERS	PROCEDURE	FREQUENCY
Participation	Number of applications for work and training	Employment Procedure and protocol	Monthly
	Percentage of goods and services attributed to local businesses	Social Engagement Policy	Annual
	Amount contributed to local cultural activities	Social Engagement Policy	Annual
Communication and Awareness	Count of web-based traffic	Stakeholder Feedback Protocol and Procedure	Monthly
	Number of complaints received	Complaints Management Procedure	Monthly
	Number of stakeholder meetings held	Stakeholder Feedback Protocol and Procedure	Monthly
	Attendance on mine tours	Stakeholder Feedback Protocol and Procedure	Monthly

Table 2-4: Stakeholder Engagement monitoring program

2.5 Contingencies and corrective actions

Contingency plans and corrective actions are required when the preferred strategy fails, or when unexpected events occur. These are usually reactive plans, only being implemented in response to an external stimulus. It is however, possible to foresee some likely eventualities and to prepare a simple response. Contingency actions that have been considered for stakeholder engagement at the Project are presented in Table 2-5.

TRIGGER	CONTINGENCY ACTION
Additional stakeholder groups identified	Stakeholder groups will be contacted and their interests and concerns integrated into the Stakeholder Engagement Plan
Local suppliers can no longer meet the needs of the mine	Replacement suppliers and contracts will be sourced from a list of alternatives
Unplanned closure	Closure Plan is enacted

Table 2-5: Proposed contingencies for stakeholder engagement

3.0 COMMUNITY COHESION AND SAFETY MANAGEMENT PLAN

Community cohesion is an intangible concept subject to multiple meanings, but can generally be considered to be the interpersonal commonalities that hold the community together. A cohesive community is usually one where:

- there is a common vision and a sense of belonging;
- culture and differences in culture are appreciated and positively valued;
- all community members have similar life opportunities; and
- strong and positive relationships are being developed in the workplace, in schools and within neighbourhoods.

The degree of community cohesion is difficult to measure as circumstances surrounding each community vary considerably, however there are a number of social indicators that may reflect it or contribute to it. These are: family values and customs, amount and type of crime, safety and security and some aspects of health.

Sherwin Iron aims to integrate itself and its activities into the region in a manner such that there is minimal disruption or change to current levels of cohesion within any affected community. This Community safety and cohesion management is therefore plan has been prepared as the vehicle through which integration will occur. Because communication is key to its success, it is inextricably linked with the Stakeholder Engagement Plan and should be considered in conjunction with such.

Sherwin Iron's community cohesion and safety plan is based upon an integrated performance management system – where management objectives, based on risk, are identified and targets and strategies set to ensure that the objectives are being met in an effective and efficient manner. Periodic monitoring is engaged and specific performance indicators used to demonstrate the degree to which the company is successful in meeting its targets and management objectives.

3.1 Risk assessment

Risks specifically related to the community cohesion and safety management process have been identified using the AS/NZS ISO 3100:2009 standard approach and are reported in Table 2-1.

They key drivers of risk to community cohesion and safety can be summarised as Aboriginal customary values, the availability of drigs and alcohol, general safety matters and an influx of non-Aboriginal people. If these drivers are not managed well, increases in crime and violence, deterioration in health and a general alienation of Aboriginal communities may be expected. In turn, these will have a negative impact on the project mainly through loss of its local workforce.

Aspect	Impact/Risk	Cause	Likelihood	Consequence	Ranking	
Road Conditions	Increase in vehicle accidents	Poor standard of road	3	5	15	H
		Increase in volume of heavy traffic				
Alcohol and Drugs	Increase in domestic violence	Increase in availability of disposable income	4	3	12	H
		Illicit sales or supply from mine workers				
	Increase in mental health issues	Increase in availability of disposable income	2	3	6	M
		Illicit sales or supply from mine workers				
Health Standards	Increase in Sexually Transmitted Diseases	Influx of mine workers	2	2	4	L
	Increase in endocrine health problems	Increased availability of alcohol and illicit drugs	3	3	9	M
	Increase in domestic violence		4	3	12	H
	Poisoning or general ill health	Mine related waste	2	3	6	L
	Increase in obesity and nutritional problems	Poor nutritional choices	3	2	6	L
Family and traditional customs	Loss of work capacity	Conflict between ceremony and work rosters	3	2	6	L
	Breakdown in customs and culture		1	3	3	L
			Loss of access to traditional lands	1	3	3
	Infidelity within community leading to domestic violence	Family disharmony caused by lengthy absences from home	3	2	6	L
Hazardous Materials	Loss to environment leading to poisoning or general ill health	Improper storage	1	4	4	L
Attractive materials and equipment	Increase in crime rates leading to incarceration	Theft of materials	3	2	6	L
Unplanned or early closure	Loss of community development impetus	Market downturn	1	4	4	L

Table 3-1: Analysis of principal community cohesion and safety risks

3.2 Performance management measures

The principal management objectives for community cohesion and safety relate mainly to health and crime, each of which has a range of aspects (e.g. health considers physical and mental health, while crime may range from petty theft to violence). Health and crime are influenced by a range of mining activities, population influx, increase in disposable income and wealth stratification; making an accurate interpretation of impacts and risks a complicated process.

The complexity and closeness of interactions and the range of aspects that must be considered also make it difficult to manage performance and minimise impacts on social cohesion and community safety. The large number of variables involved can lead to unexpected and unpredictable outcomes. For example, in some instances where a positive outcome might be expected (e.g. an increase in community wealth leading to a higher standard of living), the opposite (i.e. adverse health effects or an increase in alcohol fueled domestic violence) may occur.

Sherwin Iron has three main objectives, each related to minimizing negative impacts with respect to health, crime and human safety at individual and community level. These are outlined in Table 3-2.

MANAGEMENT OBJECTIVE	TARGET	PERFORMANCE INDICATORS
No significant or permanent negative impact on health of community members	<ul style="list-style-type: none"> • 100% of health matters attributable to mining are managed onsite • No incidences of injury to community members resulting from mining activities 	<ul style="list-style-type: none"> • Health management plan • Construction of a camp-based medical facility • Medical facility treatment records • Regional health and safety statistics
No significant negative impact on regional or community crime rates	<ul style="list-style-type: none"> • No incidences of crime at the mine site • No increase in levels of crime in communities 	<ul style="list-style-type: none"> • Regional crime statistics • Incident reports
Operate all aspects of the mine in a safe manner	<ul style="list-style-type: none"> • No lost time work injuries • No community safety incidents resulting from mining related activities 	<ul style="list-style-type: none"> • Company Safety Statistics • Incident reports

Table 3-2: Management objectives for community cohesion and safety.

3.3 Implementation Strategy

Implementation strategies for the Community Cohesion and Safety Plan have been built around five key aspects – Aboriginal customs, Alcohol and Drugs, Security, Traffic and unplanned closure. A series of specific actions that tie into other parts of the complete SIMP have been prepared. These actions, which are measurable and designed to be implemented according to specific timelines, are recorded in Table 3-3.

3.4 Monitoring

The monitoring program is designed to measure the success of implementation strategies and actions against management objectives and targets. Monitoring will initially be done against the five aspects of community cohesion and safety that define the implementation strategy and tracked across the life of the project, however additional measures may be implemented as the Project develops. The measures used are consistent with the performance indicators listed in Table 3-2.

The principle monitoring parameters and frequency of monitoring for the Community Cohesion and Safety Plan are provided in Table 3-4.

ASPECT	ACTION	TIMELINE
Aboriginal customs	<ul style="list-style-type: none"> • A system that allows periodic site visits by local workers families will be developed and implemented in consultation with traditional owners • Systems to encourage familial child care for workers children will be developed and implemented in consultation with traditional owners • Work systems that allow for ceremonial leave will be developed and implemented • Traditional owners will be permitted to access non-operational areas of the mining lease to pursue their customary activities (e.g. hunting, fishing) 	<ul style="list-style-type: none"> • By December 2013 • Throughout the life of the Project • Throughout the life of the Project • Throughout the life of the Project
Alcohol & Illicit substances	<ul style="list-style-type: none"> • An alcohol, drug and illicit substance policy is developed and implemented • Approved wet mess facilities will be provided at the camp • Drug and alcohol testing procedures will be implemented on site 	<ul style="list-style-type: none"> • By December 2013 • By mid 2014 • By December 2013
Security	<ul style="list-style-type: none"> • Management procedures and secure facilities for hazardous materials and explosives are implemented • Management procedures for the prevention of theft and vandalism will be implemented 	<ul style="list-style-type: none"> • By mid 2014 • By December 2013
Traffic	<ul style="list-style-type: none"> • A Traffic management Plan is developed and implemented • Community awareness sessions will be held to provide information about traffic conditions • Private vehicle use and access on site will be minimised • Escort vehicles will be used where haul trucks are utilizing public roads • The Roper Highway will be upgraded to cope with additional traffic • A dedicated haul road will be constructed if required 	<ul style="list-style-type: none"> • By December 2013 • Throughout the life of the Project • Throughout the life of the Project • Throughout the life of the Project • By December 2013 • As and when required
Unplanned closure	<ul style="list-style-type: none"> • A Closure Plan is developed and periodically reviewed in consultation with traditional owners and Government • A Social Risk Register is prepared and periodically reviewed • Contingency Plans are developed based on reviews of closure plan and social risk register 	<ul style="list-style-type: none"> • By December 2013 and then throughout the life of the Project • By December 2013 • By mid 2014

Table 3-3: Strategies for implementation of the Community Cohesion and Safety Plan

ASPECT	PARAMETERS	PROCEDURE	FREQUENCY
Aboriginal Customs	As determined following discussion with senior traditional owners	Stakeholder Engagement Plan	Ad-hoc, but minimum two monthly
Alcohol and Illicit Drugs	Blood Alcohol Level	Drug and Alcohol Policy	Random
	Illicit drug levels	Drug and Alcohol Policy	Random
Operations Security	Number of incidents	Sherwin Standard Operating Procedures	Monthly
Road Safety	Maintenance Work	Sherwin Standard Operating Procedure	Annual
	Ore transport	Sherwin Standard Operating Procedure	Each shipment

Table 3-4: Community cohesion and safety monitoring program

3.5 Contingencies and corrective actions

Should the preferred strategy fail or unexpected events occur, contingency plans and actions will be enacted. These are generally reactive plans prepared as and when required and usually implemented in response to an external stimulus. Contingency actions have been considered and developed for what are thought to be the most potentially serious problems that might affect community cohesion and community or workplace safety. These are presented in Table 3-5.

TRIGGER	CONTINGENCY ACTION
Aboriginal employees absent for excessive periods of time	Contract staff may be flown in Stockpiling of material to ensure contractual obligations are addressed
Significant increase in criminal behavior attributed to mining Project	Meet with local authorities to discuss and plan alternative actions
Major accident or catastrophic event	Emergency Response Plan is activated
Unplanned or early closure	Closure Plan is enacted

Table 3-5: Proposed contingencies for community cohesion and safety

4.0 COMMUNITY DEVELOPMENT (SOCIAL CAPITAL) PLAN

This document is the Community Development (Social Capital) Plan. Under this plan, social capital is considered to include the institutions, relationships, and norms that shape the quality and quantity of a society's social interactions. Here it is taken to include key aspects such as education and training, employment and business development. These are an important part of SherwinIron's overall contribution to development within each community affected by the Project and across the wider region.

Social capital manifests itself in measurable outcomes such as employment rates, business development and an increase in community infrastructure, but is essentially an intangible aspect of community development and the socio-economic environment. The more physical aspects of community development, which include infrastructure and service delivery are covered in the Community Development (Infrastructure) Management Plan.

The Community Development (Social Capital) Plan describes how Sherwin iron will manage education, training, employment and business development over the course of the Project and provides a means through which the beneficial aspects of socio-economics may be maximized. The Plan is based upon an integrated performance management system – where management objectives, based on risk, are identified and targets and strategies set to ensure that the objectives are being met in an effective and efficient manner. Periodic monitoring is engaged and specific performance indicators used to demonstrate the degree to which the company is successful in meeting its targets and management objectives.

4.1 Risk assessment

Risks specifically related to social capital have been identified using the AS/NZS ISO 31000:2009 standard approach and are reported in Table 4-1.

Aspect	Impact/Risk	Cause	Likelihood	Consequence	Ranking		
Workforce Readiness	Failure to meet employment targets	Absence of a 'mining culture' within communities	4	3	12	H	
		Insufficient number of Aboriginal employees live in the local region	2	3	6	L	
	Community economic benefits are not maximised	Lack of Appropriate Education/Training	Workers do not operate equipment in a safe manner	4	3	12	H
				4	3	12	H
				4	5	20	S
Economic and Business Development	Company requirements reduce availability of goods/services to communities	Insufficient goods or equipment is available	2	2	4	L	
			3	3	9	M	
	Community economic benefits are not maximised	Appropriate business skill or necessary business/equipment do not exist within local communities	Business development opportunities are missed	3	3	9	M
				3	2	6	L

Table 4-1: Analysis of principal social capital risks.

The risk assessment indicates there are a limited number of drivers associated with employment and business opportunities that must be considered. These are education, awareness and the need to build capacity and skills within the community and individuals. Development of life skills, an increase in literacy and numeracy and specific workplace skills at the mine and for local businesses are key management objectives. If these are not addressed, then Sherwin Iron will not be in a position to meet the workplace targets contained within its Mining Agreement.

4.2 Performance management measures

Sherwin Iron's community development plan is based upon the performance management system – where management objectives are identified and targets set to ensure that they are being met in an effective and efficient manner. In this Plan, the objectives are heavily weighted towards inclusion of Aboriginal people into the project because Aboriginal people dominate the region and thus represent a sector of the community where the biggest beneficial gains can be made. The principle management objectives, targets and performance indicators for successful stakeholder management at the Project are provided in Table 4-1.

MANAGEMENT OBJECTIVE	TARGET	PERFORMANCE INDICATORS
Maximise the involvement of local community stores in the Project	<ul style="list-style-type: none"> 30% of goods and services will be provided by local community business 	<ul style="list-style-type: none"> Business Development Reports Contracts are in place with local businesses
Build work skills and capacity amongst local Aboriginal people	<ul style="list-style-type: none"> 100% of all Aboriginal employees and applicants will undertake literacy, numeracy and life skills training 	<ul style="list-style-type: none"> Employment and Training records
Maximise participation of traditional owners in mining operations	<ul style="list-style-type: none"> Aboriginal people will comprise 30% of the mine's operational workforce 	<ul style="list-style-type: none"> Employment records Records related to development of Aboriginal owned and operated local businesses Records of participation in work required under the CHMP

Table 4-2: Management objectives for social capital.

4.3 Implementation Strategy

The implementation strategy describes the specific actions required to ensure that targets for the principal management objectives will be met. These are business development, education and training and employment. Circumstances are such that education is the key to developing an interrelated and long-term strategy that ensures workplace and business engagement are maximized over the duration of the Project. Affected communities are predominantly Aboriginal so the strategies required will be developed and devolved in a culturally appropriate manner to enhance the probability of their success. The actions and timelines that constitute the implementation strategies for the Community Development (Social Capital) Plan are presented in Table 4-2.

ASPECT	ACTION	TIMELINE
Economic and business development	<ul style="list-style-type: none"> • An economic sustainability plan will be developed and implemented • Mutually beneficial business opportunities will be identified and developed • Supply chain opportunities for local suppliers will be identified and targeted where possible 	<ul style="list-style-type: none"> • Prior to mining • Throughout the life of the project • Throughout the life of the Project
Education and Training	<ul style="list-style-type: none"> • A dedicated training officer will be engaged • Training systems for suitable local Aboriginal employees will be developed and implemented • Mining promotions and awareness sessions will be held at local communities and schools • Career paths for students at local community schools will be identified and developed 	<ul style="list-style-type: none"> • Prior to mining • Annually throughout the life of the Project • During the first 2 years of the project • Throughout the life of the Project.
Employment	<ul style="list-style-type: none"> • A Local Employment Protocol that facilitates inclusion of Aboriginal people will be developed and implemented • Joint Ventures to encourage a high degree of Aboriginal participation will be developed and implemented 	<ul style="list-style-type: none"> • Prior to mining • Throughout the life of the Project.

Table 4-3: Strategies for implementation of community education, training and employment plan

4.4 Monitoring

The monitoring program is designed to measure the success of implementation strategies and actions against management objectives and targets. The Community Development (Social Capital) Plan will periodically assess employment, training and business development records against the specific targets recorded in Table 4-2. The principle monitoring parameters and frequency of monitoring these strategies are provided in Table 4-4.

ASPECT	PARAMETERS	PROCEDURE	FREQUENCY
Employment	<ul style="list-style-type: none"> • Number of applications for work • Employee placements • Retention Rate 	Employment and Training Procedure	Monthly
Training	<ul style="list-style-type: none"> • Training completion rate 	Employment and Training Procedure	Monthly
Business Development	<ul style="list-style-type: none"> • Percentage of goods and services attributed to local businesses • Number of new local businesses created 	Social Engagement Policy	Annual

Table 4-4: Social capital monitoring program

4.5 Contingencies and corrective actions

Contingency plans and corrective actions are required when the preferred strategy fails, or when unexpected events occur. These are usually reactive, only being developed and implemented in response to an external stimulus, however some possibilities may be foreseeable. Contingency actions that have been considered for these possibilities are presented in Table 4-5.

TRIGGER	CONTINGENCY ACTION
Inability to meet the target of 30% Aboriginal employment	<ul style="list-style-type: none"> Revise training plans and operations Engage additional non-Aboriginal employees on an as needs basis
Inability of local markets to supply company's needs for goods and services	<ul style="list-style-type: none"> Alternative suppliers engaged as and when shortfalls in supply occur Improvements to systems in place
Early Closure	Develop and implement closure plan

Table 4-5: Proposed contingencies for social capital plan

5.0 COMMUNITY DEVELOPMENT (INFRASTRUCTURE) MANAGEMENT PLAN

It is anticipated that the Sherwin Creek Iron Ore Project (the Project) will create an influx of mine workers and increase activity in the region. This has the potential to place additional pressure on existing social infrastructure and services, particularly health services, roads, housing and accommodation. The consultation process identified a number of constraints on these sectors and clearly, the potential exists for the Project to exacerbate existing issues. Many of these issues relate to governance and are the responsibility of the Northern Territory or local government, however Sherwin Iron is in a position to create a net positive outcome in a number of circumstances.

It is important that the presence of Sherwin Iron does not lead to the development of unrealistic expectations amongst community members because this has the potential to create difficulties with stakeholder management. Although these has been considered in and will be addressed through the Stakeholder Engagement Plan, a careful balance between physically isolating the company from the community while being able to provide support or funding for infrastructure projects will need to be maintained. Consequently it is essential that a separate plan for translating development of infrastructure necessary to mining operations into realistic outcomes that meet community expectations and are of benefit to them and the wider region is produced.

This document is the Community Development (Infrastructure) Management Plan for the Project. It describes how Sherwin Iron will manage its impacts on infrastructure and risks to other business ventures (e.g. tourism and the cattle industry) that are operating at community and regional levels. This plan focuses on the physical aspects of community development, including housing, roads, infrastructure and deliverable services. Social aspects of community development, which includes education, training and employment, are addressed in the Community Development (Social Capital) Plan. Although specific to the Deposit C Project, this plan serves also as the basis for dealing with impacts related to additional mining activities on Sherwin Iron's leases, should they occur.

Sherwin Iron's Community Development (Infrastructure) Management Plan is based upon an integrated performance management system – where management objectives, based on risk, are identified and targets and strategies set to ensure that the objectives are being met in an effective and efficient manner. Periodic monitoring is engaged and specific performance indicators used to demonstrate the degree to which the company is successful in meeting its targets and management objectives. There are significant cross-links with impacts and risks associated with the full suite of plans that constitute the SIMP.

5.1 Risk assessment

The major risks specifically related to physical aspects of the community development process have been identified using the AS/NZS ISO 31000:2009 standard approach and through community consultation and feedback. They are reported in Table 5-1.

The key drivers of risk identified are related to:

- Accommodation;
- Availability of goods and services (including health services);
- Access and suitability and maintenance of road systems; and
- Accessing areas not contained within the mining lease.

Many of these risks represent well-defined opportunities through which Sherwin Iron can make a positive regional impact. For example, upgrading of the Roper Highway may have additional benefit to regional tourism, and light industry while addressing risks related to supply of goods and services may represent a meaningful regional economic stimulus.

Other drivers, relevant to the tourism and cattle industry are more closely related to environmental and cultural values. These are largely managed through Sherwin Iron's Environmental Management and Cultural Heritage Management Plans.

Aspect	Impact/Risk	Cause	Likelihood	Consequence	Ranking	
Availability of accommodation	Overcrowding and associated health and crime issues	Large population influx	3	3	9	M
Availability of goods and services	Shortage of supply to address community needs	Requirements of mining operations	1	3	3	L
		Large population influx				
Availability of health services	Community health clinics unable to cope with additional work	Environmental incident(s)	2	3	6	L
		Large population influx				
Environmental Values	Decrease in tourism and tourist expenditure	Loss of aesthetic appeal of area	3	2	6	L
	Decrease in income to cattle industry	Decreased stocking capability due to loss of water or land	3	2	6	L
	Local health issues (e.g. poisoning)	Environmental incident(s)	1	4	4	L
Condition of the Roper Highway	Increase in vehicle accidents	Poor maintenance	3	5	15	H
		Road dimensions are not suited to heavy mine related traffic				
Unauthorised access to Land Trust Areas	Alienation of traditional owners	Large population influx	2	2	4	L
		Workers seeking recreational activities				

Table 5-1: Analysis of risks to regional and community infrastructure and land values.

5.2 Performance management measures

In this plan, the objectives are heavily weighted towards ensuring that excessive pressure is not placed on infrastructure and services available to the nearby communities. This means that, with the exception of undertaking necessary work to ensure that the main access road (the Roper Highway) is safe and well maintained, negative impacts on infrastructure will be minimised primarily through construction of a self-contained camp close to mining operations. This will also limit contact between mine workers and community members, further reducing any risk to community cohesion and safety.

The principle management objectives, targets and performance indicators for management of regional and community infrastructure affected by the Project are provided in Table 5-2.

MANAGEMENT OBJECTIVE	TARGET	PERFORMANCE INDICATORS
Avoid all unauthorised access to Aboriginal Land Trust areas	<ul style="list-style-type: none"> No incidences of access 	<ul style="list-style-type: none"> Records of complaints and investigations of complaints Copies of permits where access is granted Records of ongoing discussion with traditional Aboriginal owners
Minimum impacts on environmental values	<ul style="list-style-type: none"> No reportable environmental incidents 	<ul style="list-style-type: none"> Environmental Management Plans exist Records of complaints and investigations of complaints
No negative impact on regional and community access	<ul style="list-style-type: none"> Regional access roads are suited to transport of iron ore 	<ul style="list-style-type: none"> Roper Highway has been upgraded or alternative methods of ore transport have been implemented.
No significant negative impact on availability of housing	<ul style="list-style-type: none"> 100% of mine workers accommodated onsite 	<ul style="list-style-type: none"> Suitably sized accommodation camp has been constructed
No significant negative impact on existing community health services	<ul style="list-style-type: none"> 100% of mine related health matters are managed onsite 	<ul style="list-style-type: none"> Health management plan Construction of a camp-based medical facility Upgrade of community health facilities at Ngukurr and Minyerri Medial facility treatment records Health and safety statistics
No negative impacts on supply of goods and other services to communities	<ul style="list-style-type: none"> No decrease in the quantity or quality of products available at nearby communities 	<ul style="list-style-type: none"> Contracts in place with local suppliers
No negative impacts on regional tourism ventures	<ul style="list-style-type: none"> No decline in numbers of tourists accessing the region 	<ul style="list-style-type: none"> Regional tourism statistics

Table 5-2: Management objectives for regional and community infrastructure.

5.3 Implementation Strategy

Through construction a self-contained mining camp distant from local communities and by operating according to targeted procedures and policies, Sherwin Iron anticipates that additional pressure that might have been placed on existing services will be largely alleviated, while simultaneously creating opportunities to support local markets and business enterprises. Managed properly, this should slowly shift the principal sources of concern to transport of iron-ore along the highway.

The actions and timelines that constitute the implementation strategies for managing impacts on regional and community infrastructure are provided in Table 5-3.

ASPECT	ACTION	TIMELINE
Environmental values	<ul style="list-style-type: none"> • Develop and implement Environmental Management Plans • Plan and conduct mining operations so that visual impacts are minimised 	<ul style="list-style-type: none"> • By December 2013 • Throughout the life of the Project
Goods and Retail services	<ul style="list-style-type: none"> • Provide financial support to upgrade and improve available services through contract revenue • Participate with traditional Aboriginal owners to improve capacity to operate businesses • Contract supply of goods and services to the mine from local suppliers 	<ul style="list-style-type: none"> • Throughout the life of the Project • Throughout the life of the Project • Throughout the life of the Project
Health Services	<ul style="list-style-type: none"> • Develop and implement approved Health Management Plan • Develop approved medi-vac procedure • Provide financial support to communities for training of Aboriginal medical staff and upgrading of health facilities • Construct onsite medical facilities for mine related purposes • Develop Emergency Response Plan 	<ul style="list-style-type: none"> • By December 2013 • By December 2013 • Throughout the life of the Project • By mid 2014 • By December 2013
Housing and services	<ul style="list-style-type: none"> • Provide financial support through contract revenue for improved housing • Construct a suitably sized accommodation camp onsite 	<ul style="list-style-type: none"> • Throughout the life of the Project • By mid 2014

Table 5-3: Strategies for implementation of the Community Development (Infrastructure) Management Plan.

ASPECT	ACTION	TIMELINE
Land Access	<ul style="list-style-type: none"> Develop and implement policies and procedures that control workforce access to Aboriginal land Conduct cultural awareness sessions 	<ul style="list-style-type: none"> By December 2013 Throughout the life of the Project
Roads	<ul style="list-style-type: none"> Upgrade and maintain Roper Highway Upgrade community access roads where requested by traditional owners 	<ul style="list-style-type: none"> By 2014 As required
Tourism	<ul style="list-style-type: none"> Upgrade Roper Highway to reduce improve access and risk to tourist traffic posed by heavy vehicles hauling iron ore Complete an assessment of alternative routes and methods for transporting ore Provide support for development of tourism related businesses in local communities 	<ul style="list-style-type: none"> By 2014 By 2015 Throughout the life of the Project

Table 5-3 (cont): Strategies for implementation of the Community Development (Infrastructure) Management Plan.

5.4 Monitoring

Monitoring for a limited numbers of aspects of the management objectives will be undertaken in accordance with the parameters summarized in Table 5-4. Suitable measures for other aspects, which rely solely on the development of additional plans or construction of specific infrastructure, will be developed as the Project progresses. These measures will be consistent with performance indicators provided in Table 5-2. Ultimately the success of meeting all of the objectives and targets will be measured in some form.

ASPECT	PARAMETERS	PROCEDURE	FREQUENCY
Environmental values	<ul style="list-style-type: none"> Water quality measures 	Environmental Management Plans	Monthly
Goods and Retail Services	<ul style="list-style-type: none"> Volumes of goods available in store 	Contracts	Annual
Land Access	<ul style="list-style-type: none"> Number of incidences of trespass 	Cultural Awareness Policies	Annual

Table 5-4: Monitoring program for physical aspects of community and regional infrastructure and services

5.5 Contingencies and corrective actions

Contingency plans and corrective actions are required when the preferred strategy fails, or when unpredictable, unmanageable or unanticipated events occur. Those related to infrastructure and services may have catastrophic outcomes and are best addressed through adaptive planning. Contingency actions that have been considered for managing community and regional infrastructure at the Project are presented in Table 5-5.

TRIGGER	CONTINGENCY ACTION
An unexpected large number of personnel arrive at site	<ul style="list-style-type: none"> • Alternative accommodation at hotels in nearby communities or at camps on stations will be sought • Additional accommodation units will be sourced and brought to camp • Non-essential personnel will be rostered off and removed from camp
Catastrophic event(s)	<ul style="list-style-type: none"> • Emergency Response Plan will be activated
Unplanned closure	<ul style="list-style-type: none"> • Closure Plan will be implemented

Table 5-5: Proposed contingencies for community and regional infrastructure and services.

6.0 PLAN REVIEW

The purpose of the review process is to ensure that all information contained remains current and that any new risks or impacts that may evolve as the mine develops will also be managed according to best practice principles. Sherwin Iron will ensure that reviews occur in a consistent and timely manner and that feedback from the public is considered and incorporated where practicable into its updated plans.

The Social Impact Management Plan is part of Sherwin Iron's quality management systems and will be reviewed on an annual basis as part of Sherwin Iron's continuous improvement program. Each sub-plan will be reviewed independently, also on an ongoing-basis and following engagement and consultation with local communities and stakeholders, relevant to each plan. Additional plans may be developed in response to specific concerns raised.



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