

Social Impact Management Plan

TELLUS RESOURCES

CHANDLER PROJECT

SOCIAL IMPACT MANAGEMENT PLAN

As at 11 October 2015

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1. EXECUTIVE SUMMARY

This Social Impact Management Plan (SIMP) provides an outline of key beneficial and detrimental impacts identified in the Social Impact Assessment (SIA), outlines key findings, suggested enhancement of opportunities and measure to avoid, mitigate or manage detrimental impacts.

Section 3 includes a summary of the risk and opportunities matrix (Appendix 3 of the Social Impact Assessment), including residual ratings after mitigation and management. It outlines the potential consequences, recommended management responses, indicators by which they will be measured and suggested means of monitoring and reporting. Against each category is a summary of findings from the Social Impact Assessment and suggested mitigation and management responses.

Of particular interest are various employment scenarios and consequent impacts, including the opportunity to employ and train Aboriginal people, the potential for dashed expectations if targets are not attained, the detrimental (and largely unavoidable impacts) of good workers leaving existing jobs to work at the project and the importance of local procurement.

Impacts to be monitored include pressures on housing and services, management of a fly-in fly-out (FIFO) workforce, negative consequences for community cohesion, community perceptions of water quality and waste storage and concerns about road safety on the Titjikala Road.

Section 5 outlines a series of management plans and policies that Tellus will prepare, along with actions plans for implementation, covering employment and workplace development; local procurement; community engagement; community benefits; housing; an issues register; and a code of conduct for workers.

Section 6 outlines how Tellus's social performance will be monitored and reported against, including the outline of a sustainability report and indicators that could form the basis of an annual report card to the community as well as more sophisticated performance measurement once the project is fully operational.

Finally, Section 7 is a commitments register outlining actions that form the basis for the company's 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 and company policies; opening an Alice Springs office as part of the Chandler project's mobilisation phase; employing a community liaison officer; communication; sponsorship; a compensation package and mandatory cultural awareness for all staff and contractors.

2. OUTLINE OF THE PROJECT

Tellus Holdings is proposing to develop the Chandler salt mine and waste storage project on Maryvale Station, on the edge of the Simpson Desert, about 120 kilometres from Alice Springs in Central Australia. Chandler will be an underground mine, accessed by a decline. Extraction of the salt will be by traditional drilling and blasting technologies, using a room and pillar design to excavate long horizontal chambers that will be used to store waste.

The \$200 million project includes:

- an underground rock salt mine
- mostly dry processing and packaging of the salt above ground
- a 27-kilometre access road from Old South Road, avoiding Titjikala, to transport construction materials and staff, particularly during the construction phase of the project
- a 26-kilometre haul road to a railway siding on Henbury Station
- a railway siding and waste transfer station
- a proposed solar power plant (initially power will be provided by a diesel-solar hybrid plant)
- an airstrip
- bores
- a potential gourmet salt processing plant and other cottage industries in Titjikala and Alice Springs
- a transfer station in Darwin's East Arm business park
- shipping rock salt to mostly Asian customers for use as industrial and food grade salt
- 280 to 350 jobs during construction, 180 during operations and 540 to 720 indirect jobs
- using the rooms left behind to store licensed waste, for example from drilling muds used by the oil and gas industry, aluminium salt fluxes and herbicides and pesticides used in the agricultural and horticultural industries (but excluding uranium, nuclear, biological and uncertified materials).

3. PURPOSE OF A SOCIAL IMPACT MANAGEMENT PLAN

This Social Impact Management Plan (SIMP) is intended as a stand-alone document that summarises significant potential impacts of the Chandler project – both positive and negative - 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 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 Tellus Holdings will take to avoid or minimise negative impacts and enhance potential benefits of the project.

The SIMP assumes:

- ongoing community input to the company’s social performance, eg through a community reference group where community stakeholders can raise issues;
- ongoing monitoring of indicators that show progress against predicted positive and negative impacts, such as local jobs, procurement, worker behavior, support programs, grievance procedures;
- annual public reporting against these indicators in a simple format, such as an annual report card or sustainability report;
- that management will be held accountable for the company’s ongoing social performance, by reporting to the Tellus Board against agreed management plans and commitments.

The level of commitment will increase as the project receives approvals and construction and operational teams mobilise.

The Social Impact Assessment included extensive desk 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.

Because of the exploratory nature of a Social Impact Assessment, this was necessarily a detailed document drawing on qualitative and quantitative data and feedback to understand community perceptions and make predictions.

The Social Impact Management Plan is the document by which the company’s ongoing social performance will be held accountable. 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 project and assumes a partnership approach to implementation of the company’s commitments.

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

More detail and background reference material is contained in the Social Impact Assessment and Appendices, including a literature review, Risk and Opportunity Matrix and Community Consultation Report .

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 will be addressed, such as through ongoing consultation and communication.

3.1 Methodology

The Social Impact Assessment profiled the communities affected by the project, provided an outline of the social context of these communities, gathered baseline data and used desk research and interviews to describe existing social change and predict the likely risks and opportunities of the project.

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 tables in this report are a summary of this matrix and show the predicted residual impacts if suggested management is applied. In some cases, mitigation measures should satisfactorily address these risks and opportunities. In other cases, impacts may be hard to influence and the risk ratings remain extreme or high.

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 the impacts should maximise good decision-making, increase sensitivity and understanding of community perspectives and guide effective management plans.

The identified impacts were then 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
- 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 the 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 engagement

As outlined in the Community Consultation Report for the Chandler Environmental Impact Statement (see Appendix 1 of the Social Impact Assessment), Tellus Holdings adopted a proactive approach to community engagement from the outset of the project.

Early engagement was guided by a comprehensive community engagement strategy that outlined stakeholders, likely issues and recommended communication with different stakeholder groups.

A revised 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.

To help ensure Tellus meets its commitments, a summary of stakeholder meetings and issues raised is recorded in a stakeholder database and reported on in the Community Consultation Report.

Consultation will continue as the project mobilises and moves into the construction and operations phases to ensure commitments are met, any emerging issues are identified and that the Social Impact Management Plan is continually modified as part of an adaptive management approach.

Key to this approach is setting up a **community reference group** to agree on community relations objectives, outline the community's expectations, agree on monitoring and reporting of Tellus's commitments and agree on roles and responsibilities. This group should incorporate a broad range of stakeholders, including traditional owners, other residents, all levels of government, business and environmental groups with a vested interest in the project's impacts.

The company will maintain both a commitments register – to ensure all promises are kept - and an issues register – to ensure all residents can easily raise issues with the management team. The issues register will include protocols for how stakeholders can raise, how any issues will be responded to and recorded and a process for analysing reports to identify any systemic issues in the company's social performance that should be addressed.

Communication with stakeholders will include a community page on Tellus Holdings' website, materials to explain all aspects of the Chandler project and monitoring results, maps and 3D illustrations, community displays, a project shop-front and industry presentations to maximise local industry participation.

Tellus is negotiating a benefits package with native title holders, through the Central Land Council, that includes various options for jobs, community development programs, Indigenous businesses and effective liaison with traditional owners. This is likely to include an Indigenous Land Use Agreement.

3.4 Requirements of the Northern Territory Environment Protection Authority (NTEPA)

The NTEPA's guidelines for preparing an Economic and Social Impact Assessment (May 2013) stipulate that an Economic and Social Impact Management Plan (ESIMP) should include:

- a summary of the Social Impact Assessment
- stakeholder engagement strategies for the life of the project
- prioritisation of impacts
- mitigation and management strategies for the identified risks including a register of agreed activities and commitments
- monitoring, reporting and review mechanisms
- mechanisms to resolve new and emerging issues as they transpire and amend the ESIMP
- a communication strategy.

4. KEY FINDINGS OF SOCIAL IMPACT ASSESSMENT

This section provides:

- a summary of the predicted positive and negative impacts (see Appendix 3 of the Social Impact Assessment for more detail, including initial significance ratings)
- 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
- how these indicators will be monitored and reported on each year.

Section 5 provides a list of management plans and policies that Tellus 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

** (See full risk and opportunities matrix at Appendix 3 of the Social Impact Assessment for initial ratings and more detail). Because of the scale of change and disturbance brought by a large project such as this, the significance of negative impacts may seem high. This would suggest the need for extreme sensitivity in managing these risks as the project mobilises in order to maintain community good will.

| Key impacts and opportunities | Timing | Consequences | Management responses | Residual rating** | Indicators to measure | Means of monitoring |
|--|----------------------------|--|--|-------------------|--|--|
| Conflict between families (Risk) | Construction Operations | Arguments between families over distribution of benefits and jobs. | Good communication about opportunities; Community liaison to enhance equitable access to jobs and benefits. | High | Distribution of jobs and benefits; Number of complaints lodged; Community satisfaction. | Statistics on jobs with the project Issues register Survey |
| Reduced community cohesion (Risk) | Construction Operations | Reduced quality of life, reduced wellbeing, social capitals, networking and relationships. | Community benefits trust rather than cash payments; Community reference group; Good communication to manage expectations | High | Census data on community composition; Community satisfaction. | Survey |
| Reduced level of disadvantage (Opportunity) | Construction Operations | Reduced reliance on taxpayer funds, improved quality of life and wellbeing. | Employment Plan Local procurement plan | High | Participation and unemployment rates; Level of home ownership Income levels; Overcrowding; Socioeconomic indicators. | Census and labour market data; Economic research |
| Weakened power and governance structures (Risk) | Construction Operations | Creates community conflict, flow on effects to community cohesion and strength of culture. | Respecting role of existing governance structures | High | Level of community satisfaction. | Survey |

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| Reduced community resilience (Risk) | Construction Operations | Anxiety about change exceeds community's capacity to absorb it. | Community reference group Community engagement plan | Moderate | Community attitudes (could develop a sustainable livelihoods matrix to work through with the community). | Survey |
| Reduced community amenity (Risk) | Construction Operations | People may move away or protest. | Environmental Management Plan Community Engagement Plan | Moderate | Complaints (eg about dust, noise) Community satisfaction. | Survey |
| Project creates dependency | Construction Operations Post-project | People don't want to work or have trouble coping if the project ends | Local Industry Participation Plan Community benefits to broaden economic activities | High | Proportion of economic activity dependent on the project | Economic research Survey |
| Reduced volunteering | Construction Operations | Voluntary and sports groups may not survive or have to reduce services | Volunteering programs | Low | Number of staff involved in volunteer programs | Statistics Survey |

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| Risks rated as high or extreme after management measures | Opportunity rated as high |
| <ul style="list-style-type: none"> • conflict between families because of changes brought by the project (money, jobs and distribution of benefits) • reduced community cohesion as a result of this • changed power structures • project creates dependency | <ul style="list-style-type: none"> • opportunities flowing from the project reduce the level of disadvantage in the region. |

Key findings

- The Alice Springs region is characterised by a large Aboriginal population and high levels of disadvantage.
- Since the 2011 Census, there appears to have been an out migration of non-Aboriginal ‘baby boomers’ from Alice Springs
- There has been settlement by a large number of migrants from Kerala in India (recruited as nurses), the Punjab (largely coming to work with two local taxi companies), Sudan (many of them young, single men), Zimbabwe and the Philippines, most of them moving from other Australian cities to look for work.
- A key concern raised by service providers is the impact of higher wages and cash royalty payments on community cohesion, including the dangers of the ‘honeypot’ effect (people moving into the region to access money), family conflict over access to benefits and greater expenditure on alcohol, gambling and consumer goods such as cars.
- There are emerging community tensions about who gets the benefits of the project and concern that all people living in Titjikala as well as traditional owners get benefits from the project. There is also anxiety that native title holders’ rights will be subsumed by those with less direct connections to country.
- Alice Springs has the capacity to absorb families moving to work at the project but a large influx of young, single workers could disturb the character and cohesion of the town and potentially displace tourism accommodation.
- Communities nearer the project, such as Titjikala, have limited capacity to absorb in-migration (including people returning for work) due to housing, government employee housing, utilities and land tenure constraints.
- Jobs at the project could lead to mobility of Aboriginal people and put pressure on both families and services in Titjikala.
- Existing governance structures (traditional, government and local government) may be disrupted by the project if power shifts to key families employed by the project as well as new decision-making structures such as community reference groups and trusts.
- Mining projects can create dependency on mining jobs and royalties.

Management and mitigation

- A strong on-going focus on community engagement and communication to ensure the company 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, through a housing management plan that includes provision for temporary accommodation for fly-in fly-out workers.

- Employment strategies that take account of the demographics of the region and manage the mix of workers (Aboriginal, non-Aboriginal and migrants).
- Minimise cash payments and negotiate agreements that focus on community development and investment in longer-term benefits, in line with the Central Land Council's investment policy and community development approach.
- Employ community liaison officers who can provide advice on emerging issues and ensure all entitled families share the benefits of the project.
- Ensure all governance structures are inclusive, transparent and sensitive to other decision-making 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 sponsorship programs.
- Reduce the risk of dependency by focusing on community investment and skills development that delivers sustainability, or a legacy of mining beyond the life of the project.
- Maintain a strong focus on transparency and accountability to reduce the risk of rumours, family conflict and a polarised community.
- Earn a reputation as a good corporate citizen, use community benefits and sponsorships to address educational disadvantage and build community capacity.
- Produce codes of behavior for workers and grievance procedures that make it easy for people to report anything of concern.

4.2 Employment and economies

| Key impacts and opportunities | Timing | Consequences | Management responses | Residual rating | Indicators to measure | Means of monitoring |
|---|----------------------------|---|--|-----------------|--|--|
| Loss of workers to the project (risk) | Construction Operations | Local businesses, government and local government can't compete for wages and have trouble delivering services because of the generally low level of unemployment. This is regarded as extreme for Titjikala given the proportion of Aboriginal workers, the likely difficult task to backfill and the high level of interest by good workers in jobs at the project. | Employment and Workplace Development Plan (see Section 5) and help with training (however will be hard to prevent) | Extreme | Statistics on where workers come from; Reports on loss of workers from the council, government and local businesses. | Workplace stats Survey |
| Regional economic growth (Opportunity) | Construction Operations | With the right strategies and good will, there are enormous opportunities for the project which will be good for the regional economy; Increased capacity of local businesses; Flow on effect to other sectors, such as retail and hospitality; Improved public infrastructure; Increased spending by workers and their families. | Local Industry Participation Plan (see Section 5) | Extreme | Regional business confidence; Number of local contracts awarded; Spend on local businesses (including by contractors); Economic indicators such as regional GDP; Flow-on effects, eg proportion of staff were are local, who relocated with families and the type of accommodation they are using. | Business Survey; Procurement statistics; Economic studies against baseline data. |
| Business growth in the region (Opportunity) | Construction Operations | Increased work for locals; Long-term growth in business capacity of the region; Indirect impacts of more families living in the region. | Local Industry Participation Plan | Extreme | Chamber of Commerce membership; Business confidence; Business growth; Number of local businesses; Employment data. | Surveys of business confidence; Census data |

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| Increased jobs with the project (Opportunity) | Construction Operations | People make the most of the opportunities and stay in their jobs; Higher incomes and standard of living, reduces disadvantage; Increased interest in private home ownerships. | Multi-faceted employment and workplace development strategy and support services, such as money management (see below) | High | Jobs with the project (number of staff living locally, Aboriginal, immigrants, skilled migration, FIFO, retention rates); Apprenticeships; Jobs with contractors; Wages; Stats on whether staff had previous jobs, how many have moved from unemployment. | Census and labour market data; Company statistics |
| Increased wages and cash in the community (risk) | Construction Operations | Conflict, money spent on alcohol, cars, gambling, leading to violence; Reduced welfare payments for other family members and higher public housing rental. | Support services for workers, such as money management; Minimise cash payments. | High | Alcohol related crime; Conflicts over money; Workers leaving because of impacts on welfare payments. | Police statistics Community survey Staff data |
| Expectations of workforce participation not met (risk) | Construction Operations | Frustration by employer at failure to attract and retain locals; Jealousy by locals if there are perceptions that outsiders are winning the work, including non-local Aboriginal people; Inequitable participation by women. | Employment and Workforce Development Plan Community engagement strategy (communication on jobs, manage expectations) | High | Local workforce participation Number of Aboriginal workers; Retention rates; Profile of workers; Community satisfaction. | Company statistics Survey |
| Better educational and training outcomes (opportunity) | Construction Operations Post-mining | Increased long-term capacity to win work; Greater workforce participation. | Employment and Workplace Development Plan | High | School retention rates; VET participation; Work placements. | Census and labour market surveys Government and company stats |
| Boom/bust economy (risk) | Construction Operations Post-mining | Over-dependence on the project; Companies may over-extend and go broke when the bust comes; | Employment and Workplace Development Plan | Moderate | Companies going into administration. | Business stats |

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| | | People get used to higher incomes and facilities and find it hard to adjust should the project close. | Local Industry Participation Plan Community Engagement Plan Mine closure plan. | | | |
| Increased cost of living (Risk) | Construction Operations | People may move away; Pressure on rents and affordability of services; Pressure on government and NGOs to meet the gaps; Reduced disposable incomes. | Housing and Accommodation Plan (see Section 5) | Moderate | Mobility; Cost of living indicators (housing affordability, availability, basket of goods); Household/individual incomes. | Census Survey |
| Business expectations of winning work not met (Risk) | Construction Operations | Failure to achieve targets for local procurement; Businesses close; Business frustration and lobbying to win work; Negativity towards the project. | Local Industry Participation Plan | Moderate | Number and value of contracts awarded; Community attitudes towards the project. | Company data Survey |
| Reduced business capacity for other work (Risk) | Construction | Other businesses and domestic clients may find it hard to compete with rates paid by the project, have trouble getting work done or find it hard to attract workers if all accommodation is taken. | Employment and Workplace Development Plan Housing and Accommodation Plan | Moderate | Availability of trades; Ability to recruit staff; Availability and cost of accommodation; Skills gaps. | Census data Business confidence Surveys |
| Displacement of tourism (Risk) | Construction | Loss of tourism due to accommodation being taken, which may be hard to win back; Loss of tourism and hospitality jobs. | Housing and Accommodation Plan Employment and Workplace Development Plan | Moderate | Availability of short-term accommodation. Number of people in tourism and hospitality jobs. Wages for different sectors. | Census Tourism stats Labour market stats |
| Displacement of pastoralism (risk) | Exploration Construction Operations | Reduced contribution to the local economy through land access issues, loss of staff, disruption from mining activities. Families sell up. | Land access agreement Biodiversity Management Plan Community Engagement Plan | Low | Pastoralists selling. Complaints about mining activities. | Interviews |

| Risks rated as high or extreme after management measures | Opportunity rated as high |
|--|---|
| <ul style="list-style-type: none"> • Loss of workers to the project • Increased wages and cash in the community • Expectations of workforce participation not met | <ul style="list-style-type: none"> • Regional economic growth • Regional business growth • Increased jobs with the project • Better education and training outcomes |

Key findings

- A key focus on the Northern Territory and Australian Governments is reducing the level of Indigenous disadvantage and building the economies of remote communities.
- The economy of Central Australia has declined since the 2011 Census, with reports of businesses closing or struggling.
- A high proportion of people work in government administration and health jobs, with predictions of an increase in the health sector.
- Mining, oil and gas, tourism, the pastoral industry and education are seen by the government as key growth sectors.
- Labour market statistics suggest low levels of unemployment amongst Central Australians with a good education but high levels of unemployment and disengagement among the cohort of Aboriginal people with lower levels of education.
- There is a growing cohort of young Aboriginal people in Central Australia about to enter the workforce.
- The Department of Education has a focus on Aboriginal students attending regional boarding schools, vocational education and pathways from school to jobs in sectors such as mining.
- It will be difficult to employ Aboriginal people who are disadvantaged by multi-generational unemployment and social disadvantage, although this should be attempted. It is more likely that an Aboriginal workforce will come from the more engaged and better educated Aboriginal people now coming through the education system.
- There are fears that the project will lead to poaching of Aboriginal and non-Aboriginal workers already in jobs, with negative impacts on local government and government services and tourism, pastoral and retail sectors.
- The small labour force will compound the impact of the project's recruiting activities if a number of other proposed projects go ahead.

- Aboriginal people in the region may have unrealistic expectations of jobs with the project, given limited experience of mining and the discipline and demands required to work at a major industry project.
- There are concerns about the inflationary pressures of large projects, with many people citing the negative impacts of the INPEX project in Darwin, such as pressures on the cost and availability of housing, increased costs of living and inequities caused by subsidies to mining workers.
- Despite a large cohort of people of working age who are unemployed or disengaged from the workforce, companies report challenges recruiting and retaining local workers, many resorting to overseas workers on 457 visas.
- They also experience challenges recruiting workers to live in Alice Springs, generally finding it easier to recruit young, single workers rather than families, despite many mining workers being laid off interstate.

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 about jobs and business contracts will need to be managed through good communication to ensure Tellus's quality and safety standards are understood and any failure to meet targets is explained.
- 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 the project and visits to other mines and storage facilities if possible.
- If other projects go ahead, Tellus could collaborate on a recruitment campaign to get families to live in Alice Springs where they will contribute to the local economy and become part of the community.
- Special information nights in Alice Springs may help recruit migrant families who come to Central Australia looking for work.
- While subsidies may be needed to get people to relocate to Alice Springs, Tellus should monitor the inflationary impacts of worker subsidies, eg 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 and collaborate with training to help ensure the region still has access to people and services, such as tradespeople.
- Take account of the capacity of local business when packaging tenders and ensure local businesses don't over extend themselves through unrealistic expectations of ongoing work.

- Work with the Northern Territory Department of Business and Central Land Council to support local Aboriginal enterprise development, such as cultural awareness training, services to the project, microbusinesses working with salt, provision of food (eg Arrernte outstations and community gardens), plant and equipment hire and labour hire
- Attend local careers expos.
- Establish shop fronts in Alice Springs and Titjikala to talk to potential workers.

4.3 Services and infrastructure

| Key impacts and opportunities | Timing | Consequences | Management responses | Residual rating | Indicators to measure | Means of monitoring |
|---|---|--|---|-----------------|--|---|
| Pressure on municipal service delivery (risk) | Construction Operations | Councils may lose workers and have to backfill with less qualified staff or struggle to even fill jobs; Reduced capacity to provide services. | Employment and Workforce Development Plan (see Section 5) | High | Number of former council staff working with the project; Loss of council staff; Reduced council services. | Staff stats Interview with the Council |
| Pressure on government services (risk) | Construction Operations | Project puts pressure on government services because of increased demand (eg police, health, housing, medical evacuations); Budgetary pressures having to expand staff, staff housing and facilities. | Maintain self-sufficiency of services such as a health clinic. Code of Conduct for workers to minimise anti-social behavior and road safety risks (see Section 5). | High | Cost and availability of housing; Police statistics, eg road safety, crime; Presentations by mining staff at the clinic; Medical evacuations; Emergency responses. | Census Police crime stats Surveys |
| Improved community infrastructure (opportunity) | Construction Operations Post-mining | Improved quality of life from spending in communities. | Project planning to consider community needs Community benefits Sponsorship strategy | High | Additional community infrastructure paid for by the project. | Survey Community infrastructure projects |
| Inflated rents and housing costs (risk) | Construction Operations | Locals may leave because they are priced out; Harder to recruit families; Crowding out of lower-paid workers which could impact on worker availability. | Housing and temporary accommodation plan (see Section 5) | High | Availability and costs of public and private rental; Number of workers living in local rental accommodation; Family composition and size of workers relocating. | Census Real estate data |
| Overcrowded public housing (risk) | Construction Operations | Increased wear and tear on public housing, therefore increased costs; Increased family conflict. | Housing and temporary accommodation plan Employment and workforce development strategy | High | Level of overcrowding in public housing; Number of Aboriginal workers moving to live with family. | Census and housing data |
| Shortage of affordable and | Construction Operations | Locals may leave; Harder to recruit families; | Housing and temporary accommodation strategy. | Moderate | Availability and affordability of rental properties; | Housing and Census data Company data |

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| suitable worker accommodation (risk) | | Pressure on government to release land. | | | Number of hotel bed nights used by the project; Number of temporary rooms provided by the project and occupancy rates. | |
| Pressure on utilities (risk) | Exploration Construction Operations | Lack of redundancy by utilities constrains new housing and development; Increased pressure on existing housing; Constraints on project facilities | Project planning Housing and temporary accommodation strategy Self-sufficiency (including use of solar power) | Extreme | Demand for new housing; Capacity and requirement for additional utilities; Company investment in upgraded facilities. | Interviews |
| Pressure on transport infrastructure (risk) | Construction Operations | Cost of road maintenance; Need for new airstrips; Poor road conditions could deter tourists. | Project infrastructure and logistics planning | Extreme | Volume of traffic on local roads, including industrial traffic; Need for repairs and maintenance; Demand for air services, medical evacuations; Crashes on the roads; Complaints from tourists, tour operators. | Traffic counts Interviews with Dept of Transport, Medical evacuation stats Complaints |

| | |
|--|---|
| Risks rated as high or extreme after management measures | Opportunity rated as high |
| <ul style="list-style-type: none"> • Pressure on municipal service delivery • Pressure on government services • Inflated rents and housing costs • Overcrowded public housing • Pressure on utilities | <ul style="list-style-type: none"> • Improved community infrastructure |

- | | |
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| <ul style="list-style-type: none"> • Pressure on transport infrastructure (eg Titjikala Road) | |
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Key findings

- In general, government services will be able to absorb the increased activity of the project, particularly if Tellus provides adequate medical facilities on site.
- However, where there is potential pressure on government services, there are severe budgetary implications for a small economy which would require advance planning, such as upgraded roads, increased utilities capacity, increased government workers (eg a police presence in Titjikala due to increase road safety and social risks) and the flow-on effects to government employee housing.
- There could be an impact on the local health clinic through worker injuries, increased road trauma, medical retrievals and any increase in substance abuse in the community.
- The main impact on Alice Springs Hospital would be increased presentations from road trauma and workplace injuries, the need to handle any medical retrievals and perhaps training to respond to any emergencies.
- Key impacts will be on public housing in both Alice Springs and Titjikala, due to the likely mobility of people wanting work at the project and higher rents, which could compound over-crowding.
- There may also be impacts on community safety and policing due to road safety risks, drug and alcohol abuse (in particular if new drugs such as 'ice' are introduced by workers) and family conflict, due to increased wages and cash payments.
- Local government services are likely to be impacted by a loss of workers to the project, which is hard to avoid as these jobs may be seen as better paid and offering local workers greater choice.
- Education facilities can absorb significant increased demand and the project is seen as offering potential to improve educational outcomes by linking vocational education to jobs at the project.

Mitigation and management

- A housing and temporary accommodation plan to take account of the extent to which Alice Springs and nearby communities can absorb pressures on public and private housing and construction workers taking up hotel beds (see Section 5).
- Short-term FIFO workers are best quarantined to a large extent in temporary accommodation to avoid negative impacts on the services and character of the community.

- Temporary accommodation options may lead to legacy projects, such as single accommodation in Titjikala that reduces overcrowded public housing and that can be put to other uses after peak construction (it would be important to discuss these with the community first).
- Opportunities to collaborate on training and service delivery, for example in training of health workers.
- A chance to collaborate with Government, MacDonnell Regional Council and other providers to improve infrastructure, such as roads, solar energy, water and telecommunications.
- A working party with all government departments to plan for long-term implications of the project, such as roads, utilities and any increased demand for services.
- The impact on local government services through loss of key staff may be hard to mitigate short-term, but long-term there are chances to upskill staff likely to return to council work, to collaborate on training courses and provide a long-term legacy of greater choice of jobs.

3.4 Health and wellbeing

| Key impacts and opportunities | Timing | Consequences | Management responses | Residual rating | Indicators to measure | Means of monitoring |
|---|----------------------------|---|---|-----------------|--|---|
| Improved health and wellbeing of workers (Opportunity) | Construction Operations | Improved quality and longevity of life; Reduced cost of chronic diseases. | Employment and workforce development plan (see Section 5), including support programs | High | Health status of workers; Prevalence of chronic diseases; Participation in life skills programs; Lost time injuries and fatalities. | HR stats on health and sickness Record attendance at courses |
| Alcohol and other substance abuse by workers (risk) | Construction Operations | Negative consequences for workplace safety and retention of workers. | Employment and workforce development plan, including support programs | Moderate | Drug and alcohol abuse; Number of workers failing drug and alcohol tests; Participation in support programs. | Health clinic stats Staff stats |
| Alcohol and other substance abuse increases in the community (risk) | Construction Operations | Influx of people, humbugging family for money, thefts of volatile substances, increased community conflict and violence; More work for police and night patrol; Decreased feelings of safety. | Health and safety plans; Volatile substance abuse plans; Employment and workforce development plan, including support programs; Worker codes of behavior; Agreement-making to reduce cash payments. | Extreme | Mobility of people; Crime associated with drug and alcohol abuse; Incidence of volatile substance abuse; Perceptions of safety; Police workload. | Police stats Community survey |
| Reduced substance abuse in the community (opportunity) | Construction Operations | Healthier lifestyles; Greater workforce and economic participation; Less humbugging of family for money; Feelings of safety. | As above | Extreme | Level of drug and alcohol abuse. | Clinic stats |

| | | | | | | |
|--|---|---|--|----------|--|----------------------------------|
| Depression and suicide of FIFO workers (risk) | Operations Construction | Issues with workforce morale and retention. | Employment and workforce plan, support programs | Moderate | Number of suicides or attempts; Take up of welfare or support services. | Company stats |
| Increase in sexually transmitted diseases (risk) | Construction Operations | Poor health outcomes in the community; Reputation risk. | Employment and workforce plan Health and safety plan | Low | Prevalence of sexually transmitted diseases (subject to privacy, confidentiality of records); Number of education programs run. | Company, clinic stats |
| Increased crime and anti-social behavior (risk) | Exploration Construction Operations | Decreased feelings of safety; Drain on police resources; Impact on community amenity and wellbeing. | Code of behavior for workers, including alcohol consumptions. | High | Level of crime and anti-social behavior; Vandalism of project facilities; Police reports of incidents involving workers; Community satisfaction survey. | Crime stats Community survey |
| Increased road safety risks (risk) | Construction Operations | Deaths and injuries on the Titjikala road through increased worker and industrial traffic, trucks near the community; Reduced perceptions of safety for tourists; Reduced worker safety if commuting. | Traffic management plan, including bypassing the community, fixing up sections of the road | Extreme | Deaths and injuries on the road and number attributed to project traffic; Sections of the road/expenditure on upgrades because of the project; Community perceptions of safety; Project vehicles involved in incidents. | Police stats Community survey |
| Fears of exposure to hazards (risk) | Planning Construction Operations | Impacts on ability to recruit workers; Reputation risk; Capacity of hospital for mass casualty incident. | Environmental management plan Community engagement and transparent monitoring and communication | Moderate | Perceptions of safety; Attitudes towards the project. | Survey Interviews |

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|--------------------------------|-------------------------|---|----------------------|----------|--|---------------------------|
| Reduced quality of life (risk) | Construction Operations | People may move away; Harder to attract workers and families to live locally. | Community engagement | Moderate | Perceptions of safety; Complaints; Relocations due to the project. | Survey Grievance register |
|--------------------------------|-------------------------|---|----------------------|----------|--|---------------------------|

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|---|--|
| Risks rated as high or extreme after management measures | Opportunity rated as high |
| <ul style="list-style-type: none"> Alcohol and other substance abuse increases in the community Increased crime and anti-social behavior Increased road safety risks | <ul style="list-style-type: none"> Improved health and wellbeing of workers Reduced substance abuse in the community |

Key findings

- A key issue in Central Australia is poor health outcomes for Aboriginal people in particular, including chronic diseases and lower life expectancy, largely linked to poverty and disadvantage.
- Health and wellbeing issues include lifestyle and amenity, with potential negative perceptions of the changes that accompany mining and waste storage.
- A key safety issue is road safety, with likely risks from increased worker and industrial traffic on the Titjikala Road, which is in poor condition and often used by local people who may be impaired by alcohol, unroadworthy vehicles and driving unlicensed.
- Community safety would also be affected by any increase in drug and alcohol abuse (with particular fears that workers may introduce 'ice') and family violence.
- A key issue for fly-in fly-out (FIFO) workers is loneliness and depression at being away from family in the artificial environment of workers' accommodation.
- The project can contribute to positive health outcomes by healthy lifestyles programs in conjunction with local health providers.

Management and mitigation

- Increase productivity and community wellbeing by incorporating healthy lifestyles programs in its employment and workplace package.
- Drug and alcohol testing can reduce substance abuse in the community, including volatile substances.
- Road safety risks can be reduced through alternative transport routes, traffic management plans, not driving at night, codes of behaviour for workers and bussing in workers.
- Employment and welfare strategies 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 (eg noise and dust) and change work practices if these can be mitigated.

3.5 Natural resources and the environment

| Key impacts and opportunities | Timing | Consequences | Management responses | Residual rating | Indicators to measure | Means of monitoring |
|---|--|--|---|-----------------|---|--------------------------------------|
| Loss of biodiversity species and habitat (risk) | Construction Operations | Detrimental change to the environment; Community alarm, opposition to mining; Failure to get regulatory approvals; Reduced traditional activities such as hunting. | Biodiversity management plan (see Section 5); Culture and heritage management plan (see Section 5) | Moderate | Area of land cleared; Number of species impacted; Project delays; Community satisfaction. | Company reports Survey |
| Gain of biodiversity of species and habitat (opportunity) | Construction Operations Rehabilitation | Beneficial change to the environment; Jobs in land management; Increased knowledge, sharing of traditional knowledge; Ranger and conservation programs as part of compensation package and contracting by the mine. | Biodiversity management plan; Offsets plan; Mine closure and rehabilitation plan; Support ranger programs. | High | Area re-vegetated; Prevalence and health of species. | Company reports |
| Reduced availability of water for other users (risk) | Construction Operations | Impact on healthy lifestyles, dialysis, economic and domestic use of water (note this and the following impacts may be issues of perceptions as much as reality) | Environmental management plan; Groundwater management plan. | Moderate | Water consumption by mine and processing plant; Availability of water to other users; Community satisfaction. | Water monitoring results; Survey. |
| Fears of pollution or reduced water quality (risk) | Planning Construction Operations | Impact on community amenity, trust. | Environmental management plan Groundwater management plan. | High | Water quality; Community satisfaction. | Water monitoring results; Survey. |

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|---|---|--|--|----------|--|--|
| Fears of pollution from tailings (risk) | Planning Construction Operations | Impacts on amenity, the environment, community trust. | Environmental management Plan. | High | Water quality; Community satisfaction. | Water monitoring results; Survey |
| Concerns about waste storage (risk) | Planning Construction Operations | Impacts on amenity, the environment, community trust. | Environmental management plan; Waste storage plan. | High | Air and water quality; Community satisfaction. | Monitoring results; Survey. |
| Concerns about radiation (risk) | Planning Construction Operations | Impacts on amenity, the environment, community trust. | Radiation management plan. | High | Radiation monitoring. | Monitoring results; Survey. |
| Concerns about rehabilitation and mine closure (risk) | Construction Operations Post-mining | Impacts on the landscape, opportunities for rangers. | Mine closure and rehabilitation plan. | Moderate | Area rehabilitated; Community satisfaction. | Company reports; Survey. |
| Noise impacts on amenity (risk) | Construction Operations | Impact on amenity of nearby communities, particularly if noise carries; Noise of trucks disturbing cattle. | Environmental management plan. | Low | Noise levels; Number of complaints. | Noise monitoring results; Grievance register. |
| Dust impacts on amenity (risk) | Construction Operations | Impact on nearby communities, particularly if dust is seen as carrying radiation or pollution. | Environmental management plan. | Moderate | Dust levels; Community satisfaction. | Dust monitoring; Survey. |
| Concerns about cumulative impacts on the environment (risk) | Planning Construction Operations | Impact on perceptions of mining and industrialisation of the landscape in the region, increased community conflict because of polarised views. | Environmental management plan; Community engagement strategy. | High | Community satisfaction. | Survey. |
| Visual impact on landscape (risk) | Planning Construction Operations | Impact on perceptions of mining, sense of loss, people may stay away or oppose the project. | Environmental management plan; Design of the plant; Community engagement strategy. | Low | Size of external infrastructure; Community perceptions. | Company data; Survey. |

| Risks rated as high or extreme after management measures | Opportunity rated as high |
|---|--|
| <ul style="list-style-type: none"> • Sacred sites lost or damaged • Fears of pollution from tailings • Concerns about waste storage • Concerns about radiation • Cumulative impacts of mining and industrialisation of the landscape | <ul style="list-style-type: none"> • Increased biodiversity through employment of rangers and offset programs |

Key findings

- Any major environmental impacts usually correlate to some degree with social impacts, whether perceived or real.
- Central Australia is a remote region dependent on aquifers for its water supply, therefore the allocation, use and potential pollution of aquifers by industrial users are sensitive issues.
- The scale of this project is amplified by the lack of industrial activity in the area and magnitude of change created by a mine and waste storage plant.
- Waste storage is a 'scary' issue for people because its impacts are largely unseen and unknown, compounded by a strong anti-nuclear movement in Central Australia and media coverage of issues such as 'fracking' and nuclear repositories.
- Key opportunities from the project are to employ local people in land management on their country, through ranger programs.
- Visual impacts on the landscape will be a key concern for native title holders who have responsibility as custodians for the country.
- Water courses have strong associations with 'dreaming' tracks for Aboriginal people as trade routes, culture and survival depended on access to reliable water.
- Concerns about climate change and the impact of the project on the fossil fuels cycle if, by taking oil and gas waste, it encourages the exploration for and use of oil and gas and fracking.

Management and mitigation

- Environmental and Biodiversity Management Plan to ranger and conservation projects.
- Community reference group to ensure a good understanding of community perceptions and concerns and provide transparency and accountability in their management.
- An adaptive management approach to any emerging issues of concern, eg to vary monitoring programs, make expert advisors available to answer questions.
- Clear and culturally appropriate communication on issues of concern such as water quality, the safety of waste storage and visual impacts.

3.6 Culture and way of life

| Key impacts and opportunities | Timing | Consequences | Management responses | Residual rating (after treatment) | Indicators to measure | Means of monitoring |
|--|---|---|--|-----------------------------------|---|-------------------------------------|
| Lifestyles and livelihoods disrupted by impacts on water quality and availability (risk) | Construction Operations | Loss of access to special places; Reduced cultural activities. | Environment management plan; Culture and heritage management plan. | Moderate | Water quality; Community satisfaction. | Water monitoring reports; Survey |
| Reduced access to traditional lands (risk) | Exploration Construction Operations | Loss of native title rights to land for hunting, camping and food gathering; Changed lifestyles. | Culture and heritage management plan; Access agreements; Cultural awareness training for management staff. | Low | Amount of land in exclusion zones; Community satisfaction. | Company data Survey |
| Impact on spiritual connections to land and water (risk) | Construction Operations | Reduced wellbeing; Reduced support for mining. | Culture and heritage management plan; Cultural awareness training. | Low | Community satisfaction. | Survey |
| Sacred sites lost or damaged (risk) | Exploration Construction Operations | Threat to cultural authority and connections; Regulatory and reputation risk; Opposition to mining. | Adherence to Sacred Site Clearance Certificates; Culture awareness training for all staff and contractors. | High | No breaches of certificate; Community satisfaction. | No breaches; Survey. |
| Heritage sites damaged or lost (risk) | Exploration Construction Operations | Loss of heritage; Potential impacts on tourism; Opposition to mining. | Culture and heritage management plan. | Low | Any recorded impact on any heritage sites; Community satisfaction. | No breaches; Survey. |
| Reduced attachment to place | Construction Operations | People may move away; Negative image for tourism or recruitment of people; | Community engagement strategy. | Moderate | Community satisfaction. | Survey |

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|---|---|--|---|----------|--|-----------------------------|
| (risk) | | Distrust of mining companies. | | | | |
| Reduced strength of culture, language, customs (risk) | Construction Operations | Reduced community cohesion, increased drinking, gambling, conflict, mobility; Less respect for traditional law and authority (could be positive impacts through community development and sponsorship funding). | Culture and heritage management plan; Community engagement strategy. | Moderate | Community satisfaction. | Survey |
| Compensation package supports culture and heritage programs | Construction Operations Post-mining | Compensation package and contracting increase local land management opportunities, conservation programs and chances to live on country. | Compensation package/Indigenous Land Use Agreement; Ranger programs. | High | Number of programs implemented and species reintroduced; Community satisfaction. | Company data; Survey |
| Great opportunities for artists (opportunity) | Planning Construction Operations | Opportunities to earn money; Maintaining pride in culture; Earning respect for traditional knowledge. | Community engagement strategy; Community development programs that draw on public art. | Moderate | Art purchased or contracted because of the project or by staff and contractors; Community satisfaction. | Survey |
| Impact on artists' activities (risk) | Construction Operations | Impact on quality of life and land use because of reduced access. | Culture and heritage management plan; Community engagement strategy | Moderate | Complaints about lost access; Community satisfaction. | Issues register. Survey. |

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|--|---|
| Risks rated as high or extreme after management measures | Opportunity rated as high |
| <ul style="list-style-type: none"> Sacred sites lost or damaged | <ul style="list-style-type: none"> Compensation package supports culture and heritage programs |

Key findings

- Although both Aboriginal and settler culture have been heavily disturbed by events and social trends of the past 150 years, both retain strong attachments to the country.
- For Aboriginal people, culture is closely tied to their connections and responsibilities for land and water.
- Many Aboriginal people still speak English as second, third or fourth language and maintain strong family and cultural obligations, that may override work commitments.
- This strong sense of place and attachment to country may be disturbed by a significant change of land use such as a mine and storage facility.

Management and mitigation

- Strong monitoring programs and communication will be needed to explain impacts and incorporate community feedback;
- A cultural awareness program, including the significance of sacred sites, will 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, respecting Arrernte culture, commissioning art and sponsoring activities that maintain culture.
- Work practices will make some allowance for cultural obligations, for example through shorter rostering or labour hire

3.7 Human rights

| Key impacts and opportunities | Timing | Consequences | Management responses | Residual rating | Indicators to measure | Means of monitoring |
|---|----------------------------|--|--|-----------------|--|--|
| Infringement on human rights (risk) | Construction Operations | Reduced quality of life; Reputation risk; Opposition to mining. | Culture and heritage management plan; Cultural awareness training; Community engagement strategy. | Moderate | Complaints on human rights issues; Community satisfaction. | Grievance register; Survey |
| Infringement on property rights (risk) | Construction Operations | Reduced quality of life; Reputation risk; Opposition to mining. | Land access strategy; Community engagement strategy. | Low | Complaints; Community satisfaction. | Grievance register; Survey. |
| Gendered impacts on labour rights (risk) | Construction Operations | Gendered impacts, such as lesser access to jobs for women due to childcare issues, family arrangements; Jealousy issues; Conflict over access to money and impacts on welfare payments; Disruption to women's activities such as food and medicine gathering; Complaints about under-payment or exploitation of workers. | Employment and workforce development plan; Cultural awareness training; Community engagement strategy. | High | Compliance with labour agreements; Diversity of workforce; Number and percentage of women in the workforce; Programs to support women, eg childcare and training; Complaints; Community satisfaction. | Company data; Census; Grievance register; Survey. |
| Racism in the workforce or community (risk) | Construction Operations | Reduced access to jobs or accommodation (on site or in community); Loss of workers; Conflict; Reputation risk. | Cultural awareness training; Employment and workforce development plan; Community engagement strategy. | Low | Complaints; Community satisfaction. | Grievance register; Survey. |

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|---|---|--|---|----------|--|--|
| Displacement of populations (risk) | Construction Operations | Disruption to culture and way of life; Calls for compensation. | Resettlement strategy (low likelihood, high consequence). | Moderate | People who have to relocate as a result of the project or any incident. | Number of people who have to resettle. |
| Reduced input to decision-making by vulnerable populations (risk) | Exploration Construction Operations | Failure to achieve a good understanding of how impacts are perceived; Community conflict and anger over lack of free, prior and informed consent; Opposition to the project, particularly the storage component; Poor community relations (no social licence to operate). | Community engagement strategy; | Moderate | Number of participatory mechanisms instituted and number of meetings; Community satisfaction. | Community reference group; Grievance register; Survey. |

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| Risks rated as high or extreme after management measures | Opportunity rated as high |
| <ul style="list-style-type: none"> Gendered impacts of labour (access to jobs, impact on family responsibilities) | <ul style="list-style-type: none"> |

Key findings

- While human rights breaches are unlikely if the company and its sub-contractors act as good corporate citizens, considering human rights issues raises some potential issues to be considered.
- This includes equitable access to jobs, benefits and business development.
- Gendered issues include cultural issues that might reduce workforce participation by women, including family and cultural responsibilities as well as discriminatory practices in the workplace.
- Human rights issues include land access by pastoralists and Aboriginal people wishing to exercise native title rights, such as hunting and food gathering.

- Breaching of labor rights could occur through exploitation of workers, in particular through unpaid work experience programs, child labour or underpayment of wages and employment entitlements.

Mitigation and management

- Make managers aware of the potential for human rights abuses, 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 abuses, such as racial discrimination.
- Land access agreements to be negotiated with pastoralists and native title holders.
- A strong and ongoing community engagement approach, including a community reference group, to ensure people can raise issues and influence decision-making.

5. MANAGEMENT PLANS AND POLICIES

The following plans and policies will be developed to help Tellus meet its social performance objectives. Each will contain action plans and mechanisms for the community to review their results.

This complements the following management plans prepared as part of the Environment Impact Statement.

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

The various management plans support an adaptive management approach by allowing the company, in consultation with the community, to monitor its impacts against baseline data and perceptions, identify emerging issues and adapt its activities in response.

5.2.1 Employment and workplace development plan

The employment and workplace development plan will be developed before Tellus and its contractors start construction. It will also link to any Indigenous Land Use Agreement (ILUA) signed with traditional owners. Key elements could be:

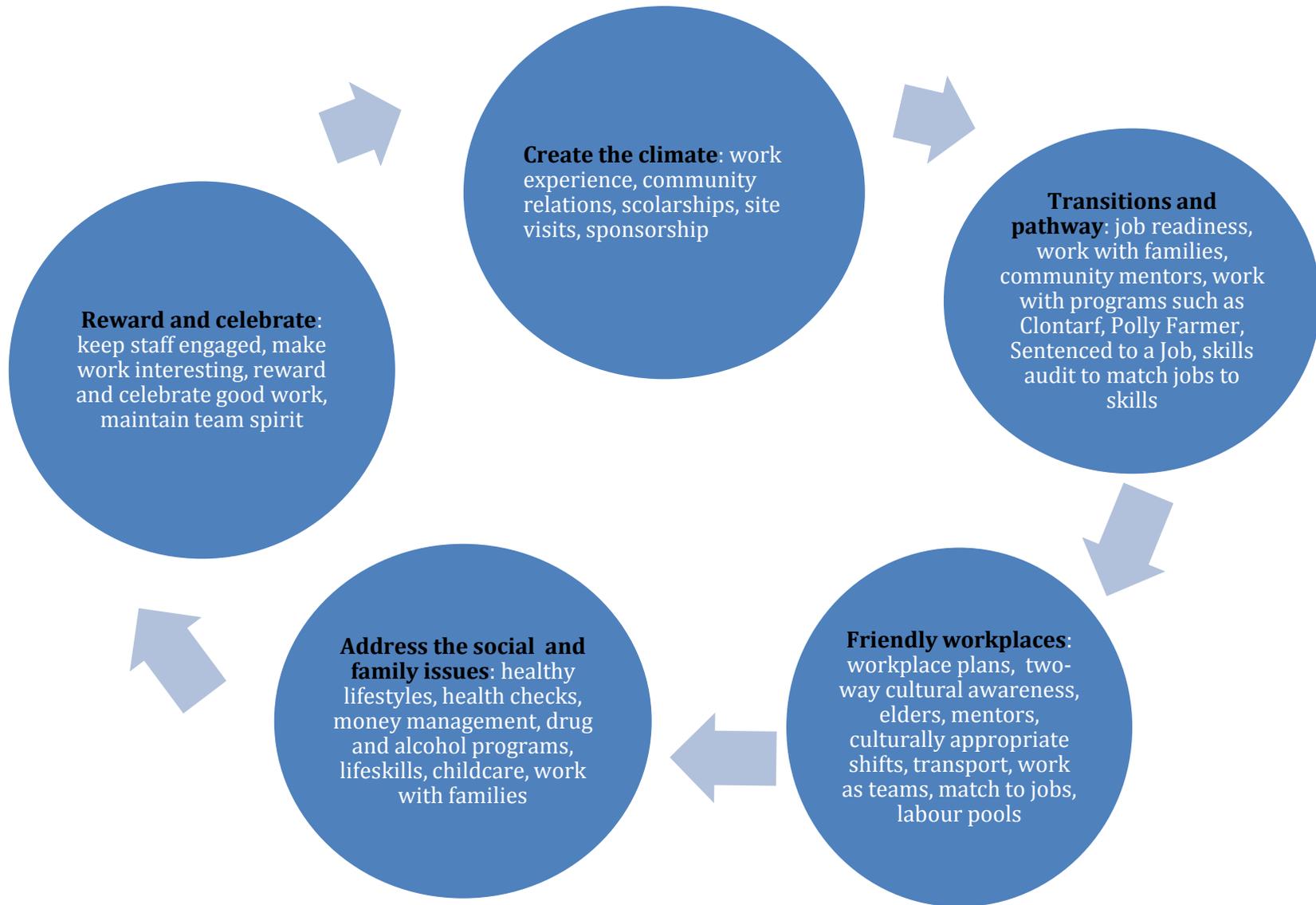
- likely direct and indirect jobs, timing (construction or operational) and duration
- a skills audit of the likely local workforce (Titjikala, nearby communities, Alice Springs Aboriginal, migrant and long-term residents) and gap analysis that includes current skills, likely aptitude for various positions 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 or 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 mentoring and support programs such as life skills, money management, addressing issues such as childcare and engagement with the community and families
- jobs plans, including pre-employment programs, training and skills development, literacy and numeracy, professional development
- how other workers will be sourced (eg skilled migration, fly-in fly out)
- a recruitment strategy for long-term workers to relocate with families to Alice Springs
- a regional workforce development strategy in conjunction with other major projects (see Pilbara Workforce Development Alliance), which also takes into account the needs of other industries who can't competing with mining
- proposed rostering, transport of workers to site and accommodation
- culturally appropriate work practices
- cross-cultural training
- codes of behavior for workers, eg areas off limits, interaction with the community, respect for cultural sites (see below)
- work health and safety plans, eg zero tolerance of drugs and alcohol, fatigue management
- safety issues for commuting workers (eg provision of transport, communications, fatigue and the condition of the roads, driver courtesy)
- how the employment and workforce plan will be mandated for sub-contractors
- tactics to enhance the success of this plan, such as a community liaison officer, local offices, community relations activities such as family days, visits to other mines and storage facilities, working with the community to resolve social issues that preclude workforce participation
- 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.

The employment and workplace development plan should include consideration of how recruitment will impact on other employers, the impact of higher wages and incentives on the ability of existing employers' ability to hire staff, and communication on these issues to the community.

SUMMARY OF SUGGESTIONS TO IMPROVE ABORIGINAL EMPLOYMENT (visual of worker with arms around them)







5.2.2 Housing and temporary accommodation management plan

Tellus's housing management plan will be influenced by the workplace and employment strategy, including the likely source of workers, duration of jobs, workforce composition, travel and safety and impact on public and private housing in the region.

The management plan would include:

- an updated assessment of the capacity of the local housing and rental market and extent to which it can absorb workers and their families
- consideration of the capacity and cost of temporary accommodation (such as hotels and apartments) to ensure other activities such as a tourism are not displaced
- consideration of a recruitment strategy that brings families to Alice Springs to live and be part of the community (see above);
- the workforce composition (families, Aboriginal people living in community or wanting to move for work, single and transient workers)
- the need to absorb some workers in temporary accommodation, particularly those on short-term contracts with no local ties, to avoid distortion of the local economy and demand on services
- the location of temporary accommodation (eg in Alice Springs to bus in workers daily or weekly; whether the Titjikala community would want some single worker accommodation in the community, keeping temporary accommodation at the project to avoid impacts and distorting effects)
- the implications of a fly in fly out workforce, such as pressures on flights, hotel accommodation between shifts
- the implications of incentives, childcare and rental subsidies both on recruitment of families to live in the community and inflationary impacts for other residents)
- cultural issues that may influence workers' housing preferences (eg Aboriginal families vs single workers, gendered impacts such as women with family responsibilities, the cultural background of workers)
- the potential for temporary accommodation to be leased, moved, sold or donated as legacy infrastructure
- the potential for Tellus to purchase some housing stock that can be used for managers

5.2.3 Local industry participation plan

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

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

- advance planning and communication of likely 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 Tellus'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.

5.2.4 Community engagement plan

Tellus will prepare a community engagement plan that covers construction and operations of the project. This give the community a chance to contribute to decision-making, provide feedback and insights, raise issues and receive information from the company.

This would include:

- agreement on a reporting format with the community, such as a 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 MacDonnell Regional Council that could meet every two months 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 a Tellus community liaison officer and local office
- engagement activities such as regular community information sessions, family days, visits to other salt mines and waste storage projects, website, displays at local shows and shopping centres, regular briefings
- a grievance procedure (see below)
- a sponsorship or community investment policy
- ongoing communication with the community.

5.2.5 Compensation package

Tellus wants to maximise the benefits for local people, some of which is covered in the above management plans.

A compensation package will be negotiated between Tellus and the Central Land Council, as part of the company's agreement-making with traditional owners. This will need to make clear that it is the statutory role of the Central Land Council to determine native title holders, ensure their right to negotiate and take instructions on how the money is to be invested.

It should include agreement on what benefits are to be provided to the closest community to the Chandler project, namely Titjikala, which includes many residents who are not native title holders.

- what is Tellus agreeing to
- principles and objectives for how benefits are distributed (eg whole of community vs families, not for infrastructure the government would already be providing)
- benefits such as upgraded infrastructure, eg road and telecommunications
- commitments regarding local jobs
- 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 (eg annual report published)
- level of ongoing community engagement regarding projects to be funded
- governance structures
- CLC to run community development projects.

5.2.6 Code of Conduct for workers

A key element of the company's relationship with the community will be a Code of Conduct for workers that is developed in conjunction with the community and reported against.

The Code of Conduct should be an enforceable agreement and a key element of the induction process.

Elements would 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 and community;
- rules about transport to work that limit private use of vehicles;
- not bringing pets or 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);
- agreement on alcohol consumption after work (a dry camp, limited low-alcohol consumption, not drinking in local hotels);
- an induction and clear outline of 'no go' areas and cultural sites;
- 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 on days off;
- protocols such as commenting to the media, contacting traditional owners.

5.2.7 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 issues register process will include:

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

6 MONITORING/MEASUREMENT

Tellus will produce a sustainability report each year that includes a community report card summarising the company's success in meeting its performance targets. These targets will be set in consultation with the community, for example a community reference group.

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, eg Rio Tinto's multi-year planning documents that 'helps align business and host communities to a common set of mutually agreed objectives, eg
 - 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 Sustainability policy

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

To achieve this, we commit to quality and ongoing consultation to ensure we are listening to community aspirations and concerns and adapting to emerging issues.

We also commit to transparency and good communication to build trust and good relationships that ensure we earn our ‘social licence to operate’ or community acceptance of our operations.

This will deliver better outcomes for Tellus Resources and its staff, for our shareholders, for the community in which we operate and for our government and business partners.

Tellus will produce an annual sustainability report outlining its performance in the communities in which it operates.

This will become increasingly detailed as Tellus moves from exploration and planning to operations.

Community performance

Our social performance plan will go beyond a ‘do no harm’ approach to looking at ways to be a good neighbour so we deliver 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 we are working on land where native title applies, we will negotiate a community benefits package that builds social and economic capital while our social performance plan will aim to minimise the unintended consequences of our activities.

Reporting: Annual sponsorship program and community involvement report, community attitudes surveys, community reference group minutes, activities in the community, reports on adaptive management responses to issues, communication, reports on grievances and their resolution.

Environmental performance

Where environmental impacts are understood, we will adopt a rigorous adaptive management approach to ensure we constantly monitor our activities and change anything that is causing significant harm to the environment.

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

In particular, we respect the cultural and spiritual connections of Aboriginal people to their country. We will avoid disturbance to any sacred or special areas and engage 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

Our financial performance will deliver good returns to our shareholders as well as economic returns for the regions in which we are operating.

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

Reporting: Annual financial results to our shareholders, reports on number and value of local contracts awarded, enterprise development and contribution to the regional economy.

People performance

We intend to be an employer of choice so that we attract the best people to work with us.

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

We recognise that our projects can help reduce the disadvantage experienced by Aboriginal people, so we will act with genuine good will and good 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

Tellus will work with a community reference group to agree on realistic targets and how these might be measured each year. This should 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, eg people not showing up to work, money problems, failing drug and alcohol tests.

Based on the above analysis, it is suggested that key indicators include:

- number of Aboriginal jobs (and proportion of people who were previously unemployed)
- number and diversity of local employees
- staff retention rates
- apprenticeships and training courses
- local procurement (value and number of local contracts)
- number of local enterprises started
- expenditure on regional and community infrastructure
- contribution to local economy (royalties, taxes, modeling 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
- research on local health outcomes and participation rates in company funded health programs
- number and type of complaints received and resolved
- sponsorships and outcomes of community investment programs
- community satisfaction surveys.

7 COMMITMENTS REGISTER

In summary, Tellus commits to:

| Commitment | Responsibility | Accountability |
|--|--|---|
| 1. Establish community reference group | Tellus to prepare terms of reference and discuss with the community, eg membership, meetings, objectives. Tellus to be responsible for establishment and resourcing (eg travel costs, secretariat). | Annual report approved by the community reference group and submitted to Tellus's Board |
| 2. Agree on indicators to be monitored | Tellus to agree with community reference group on key indicators to be monitored and reported on annually, eg Indigenous jobs, local contracts, environmental monitoring. Tellus responsible for monitoring. Tellus will produce annual reports against these indicators. | Annual report as above |
| 2. Report card/sustainability report | Community reference group to agree on preferred format for annual reporting, eg an easy-to-read report card or sustainability report. Tellus responsible for production. | Annual production |
| 3. Grievance register | Tellus to establish a grievance register and protocols 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 |
| 4. Management plans | Tellus will produce the following management plans: <ul style="list-style-type: none"> • Water Management Plan • Environmental, health and safety plan • Culture and heritage management plan • Community engagement plan • Workplace and employment plan • Traffic Management Plan • Rehabilitation and Closure Plan | Plans to be approved as part of EIS Annual report on any variations made |

| | | |
|------------------------------|--|---|
| | <ul style="list-style-type: none"> • Safety Case. • Waste Storage Management Plan • Housing and accommodation plan • Local Industry Participation Plan Policies: <ul style="list-style-type: none"> • Code of conduct for workers • Grievance procedures | |
| 5. Open local offices | Tellus will open an Alice Springs office and Titjikala shopfront as soon as the Board agrees to a Final Investment decision. | Office opening |
| 6. Community liaison officer | Tellus and its contractors will employ a community liaison officer and mentors to provide ongoing advise on community relations, employment and other community issues. | Report to community reference group on progress. |
| 7. Communication | Tellus will establish an annual budget for continued communication on the project, eg website, newsletters, community displays. | Report to community reference group on progress. |
| 8. Sponsorship | Tellus will establish an annual budget for sponsorship of projects within its area of operations (see sponsorship policy). | Annual report on sponsored projects as part of sustainability report. |
| 9. Compensation package | Tellus will negotiate a compensation package/ Indigenous Land Use Agreement with native title holders through the Central Land Council. | Parts of this agreement may be confidential. To be agreed on public reporting. |
| 10. Cultural awareness | Tellus will require all staff and contractors to complete cultural awareness training as part of staff induction processes; Where possible, this will be with Southern Arrernte consultants or companies. | Records will be kept of completion and reported against. |