



# **Community Risks and Opportunities: A Site Level Tool**

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**Working Paper**

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**THE UNIVERSITY  
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*Community Risks and Opportunities – a Site-Level Tool*

## 1. A process for identifying community risks & opportunities

The following table outlines the process steps which might be followed to conduct a comprehensive “Community Risk and Opportunity Assessment” for an operation, and identifies what tools would assist this suggested process.

Process step	Supporting tools
1. Conduct an initial scan to identify community risks and opportunities that are potentially relevant to an operation.	Generic community risk and opportunity identification checklists and guidelines on factors to consider in evaluating specific risks and opportunities
2. Engage with local stakeholder groups to ascertain their views on risks, opportunities and potential controls.	Guidelines for engaging with communities and other external stakeholders and a process for capturing this information
3. Compile and summarise information from the stakeholder engagement process and other sources (e.g. SIAs, data from planning agencies, etc) in a format that will assist decision-making by site management.	A pro forma for presenting operation-specific information that has been collected about possible risks and opportunities. (The pro forma would follow the format of the risk and opportunity checklists.)
4. Use workshops (or some other collective decision making process) to: (a) rank risks and identify mitigating controls for high value risks; and (b) rank opportunities and identify strategies for realising high value opportunities.	Probability and consequence tables for ranking risks and opportunities Guidelines for conducting workshops in which the primary focus is on opportunities rather than risks. Guidelines on selecting controls.
5. Use the outcomes of the workshop(s) to prepare an integrated risk/opportunity management strategy for the site.	A process for integrating the outcomes of the risk and opportunity analyses into a single strategy document A framework for characterising a site’s overall risk and opportunity profile
6. Verify outcomes of the exercise with external stakeholder groups.	Guidelines for engaging with communities (see step 2, above).
7. Use outcomes as a reference point for annual planning and budgeting	Costing and valuation guidelines
8. Ongoing monitoring and review.	Guidelines on developing monitoring strategies Review protocols.

### **Step 1 - Generic risk and opportunity checklists and proformas**

A key objective of this process is to generate a checklist of community risks and opportunities that could be used to help identify potential issues and structure information for the workshop. A total of 27 impact areas, organised in 6 themes, has been defined and populated with examples of risks and opportunities. The material has been structured in a worksheet format to present it in a more ‘user friendly’ manner.

As the worksheet is formatted at present, it may inadvertently give the impression that the Opportunities section for each impact area is only aimed at identifying controls for the risks listed in the previous section. However, this is not intended to be the case. The key focus of this pre-workshop phase should be on identifying all those actions which could potentially have a positive community impact, regardless of whether they can be linked to a specific risk: the issue of whether to prioritise opportunities that are linked to risks over ‘pure’ opportunities should not be addressed until later in the process. Future versions of the worksheet and accompanying guidelines may need to make this point more explicit. The material would also benefit from being grounded more in practical experience. To this end, space has been provided to populate the worksheet with specific examples and case studies.

### **Step 2 - Guidelines for engaging with communities and other stakeholders**

The aim with this component of the project was to produce a short document that would: (a) highlight to operations the importance of consulting with communities and other external stakeholders when developing a risk and opportunity management strategy; and (b) provide practical guidance on how to encourage and manage this involvement. It is intended to briefly summarise accepted good practice in the area, with users being referred to web-based resources for more detailed guidance.

The guidelines that have been developed are attached in Appendix A. They are concerned specifically with how operations should consult with and communicate with communities when developing a risk and opportunity strategy: They do not address the broader issue of how operations should manage ongoing relations with their communities, as this was assumed to be beyond the scope of the exercise. Likewise, the guidelines focus primarily on the pre-workshop information gathering stage, rather than the post-workshop, implementation phase.

One of the matters that requires further consideration is the relationship between the risk and opportunity assessment process and the Social Impact Assessment (SIA) process. Specifically: when should a full SIA be conducted and when is it sufficient to conduct a stand-alone risk and opportunity assessment? What are the differences – and similarities – between the two processes? How frequently should stand-alone risk and opportunity assessments be conducted and updated?

## 2. Risk and Opportunity - Prompts Framework

The following pages are intended as a resource for the process of undertaking a social risk and opportunity assessment. Given the enormous range of environments and communities associated with mining operations around the world, they cannot provide a complete set of examples, but are rather designed to provoke some thought about potential positive and negative impacts in a number of key areas.

The table below provides an overall framework, grouping impact areas into six organising themes. Each sub-theme is then considered in more detail, identifying factors to be considered and providing some examples of both risks and opportunities, with case studies from operations globally.

Community health and safety	
Local/regional public health issues	Endemic diseases, community health standards, introduction and spread of diseases, disease control and prevention
Health services and facilities	Health services, clinics, government support, health systems, emergency access, hospitals, specialist support and availability
Community safety & environmental health	Traffic safety, access to lease areas, emissions and discharges, heavy metals
Social change	
Demographics	Population, gender, age, mobility, socio-economics, cultural origins
Community identity	Networks, community groups, volunteers, relationships
Education and training	Community education standards and facilities, apprenticeship programmes, adult education and training initiatives
Local political structure	Traditional positions of authority, governance, political parties
Crime and social order	Crime rates, policing arrangements, theft, violence, disturbances
Security forces	Armed forces, checkpoints, protection, human rights, insurgencies, national government, paramilitary organisations, criminal activity
Cultural heritage	Traditional sites, historical buildings, cultural heritage surveys, community organisations
Indigenous communities	Indigenous culture, land rights, community structures, health standards, history of interactions, community infrastructure
Resettlement	Housing, services, traditional livelihoods, family structures, compensation, government intervention

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Local/regional economy	
Labour market	Employment pool, wage relativities, impacts on existing employment patterns
Local economy	Service industries, tourism, agriculture, workforce, regional development, business development
Management of taxes and royalties	Taxes, royalties, governments, services
Traditional livelihoods	Food sources, markets, cultural activities, workforce, local economy
Artesanal mining	Safety standards, environmental impacts, traditional livelihoods, migration
Land tenure	Traditional landowners, land rights, agricultural leases, mining and exploration leases/permits, cultural values, community ownership
Local/regional infrastructure	
Local services/utilities	Changes in demand for power, water, sewerage etc, provision and management of facilities
Transport infrastructure	Access for workforce, import/export of materials, roads, rail, port facilities, airstrips, fuel management, river access, national highways
Housing	Availability and cost of housing in community, impacts of construction of new residences
Recreational facilities	Pressure on existing recreational facilities and locations, changes in access
Physical environment	
Water	Demand on local water sources, discharges, competition with other
Other natural resources	Flora and fauna impacts, rehabilitation practices, physical degradation
Environmental amenity	Impacts on other industries, neighbours, noise and vibration etc.
Govt. and other stakeholders	
Local/Regional/National governments	Levels of regional and national government, roles of different government departments, presence of local officials, corruption, regulation, taxes and royalties, planning
NGO's	Campaigns, aid organisations, environmental NGO's, blockades, partnerships, roundtables, Church groups

**Community health and safety**  
**Local and regional public health issues**

*In developing countries, public health issues often figure prominently when considering large development projects in remote locations. The presence of endemic and destructive diseases such as malaria or AIDS can be a source of both risk and opportunity. Even in ‘developed’ economies, there are some public health issues associated with lifestyles and ageing workforces that we should consider.*

**Factors to think about**

- Endemic local or regional health issues e.g. malaria, AIDS, diabetes
- Extent of workforce migration and commuting
- Source of workforce
- Degree of isolation of local communities
- Local diet and food availability
- Cultural/religious attitudes to specific health issues
- Presence and level of activity of government or outside agencies e.g. NGO’s
- Workforce living arrangements

*What are the main influencing factors that will affect our situation? How will these change over the lifecycle of operations?*

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Examples of risks – what could go wrong?	Possible?
The influx of sex workers associated with mining workforce has introduced STD’s into remote communities in PNG and other countries	
The incidence of malaria in the Porgera region has increased because of the influx of workers from lowland areas carrying the disease.	
Increased movement of people introduces/promotes spread of diseases to other communities	
Change in availability and nature of food for community and workforce leads to lifestyle diseases such as diabetes, obesity	
High levels of absenteeism and turnover due to endemic diseases e.g. malaria, AIDS	
Adverse impact on diet due to loss of traditional food production/gathering skills and knowledge	
Closure leads to drop in public health levels due to re-emergence of disease, changes in diets and loss of traditional knowledge	

*How would you initially rate the overall risk of negative impacts in this area?*

*Negligible, Low, Medium, High or Extreme .....*

*If more than low, what are the main sources of risk?*

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Examples of opportunities to make a positive difference	Possible?
Generate improvements in local diet and nutritional standards through support of education campaigns and clinics	
Treatment and control of diseases that place considerable burden on local communities e.g. filariasis elimination by Placer/MML, yaws treatment programs run by Ok Tedi in communities on the Fly River	
Increase community health awareness	

*How would you initially rate the overall potential to make a positive difference in this area?*

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*If more than low, what are the main sources of these opportunities?*

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**Case Study – example from global operations**

- Description of program
- Reasons for success
- How did it add value?

**Community health and safety**  
**Health services and facilities**

*Due to the need to ensure appropriate health services and facilities for the workforce and their families, mining operations often provide additional infrastructure such as hospitals and clinics. These can be an important resource for the broader community, but maintaining them on an ongoing basis can also be a significant challenge.*

**Factors to think about**

- Existing standard of health services & facilities
- Social effects of improving health services & facilities
- Additional facilities required due to population increase
- Role and performance of government in providing services
- Presence and activities of outside agencies e.g. NGO's

*What are the main influencing factors that will affect our situation? How will these change over the lifecycle of operations?*

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Examples of risks – what could go wrong?	Possible?
Overreliance on mine to provide health services to the community	
Health infrastructure and services not maintained after mine closure	
Loss of traditional medical knowledge and treatment methods due to introduction of 'Western' medicine	
Migration of people to the mine area for access to improved health facilities leading to overcrowding, social problems and strained resources.	
Different standards of health care for mine workforce and general community causes tension	

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*Community Risks and Opportunities – a Site-Level Tool*

Examples of opportunities to make a positive difference	Possible?
Provide/support community health extension services	
Build local capacity to deliver services and maintain facilities	
Provide access to emergency facilities & services through mine e.g. air evacuation via Ok Tedi helicopter	
Provide health training opportunities to locals e.g. scholarships	

*How would you initially rate the overall potential to make a positive difference in this area?*

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**Case Study – example from global operations**

- Description of program
- Reasons for success
- How did it add value?

**Community health and safety**  
**Community safety and environmental health**

*Mining operations can represent a direct hazard to the community through issues such as increased traffic and risks associated with explosives and mining voids on lease areas. Indirect threats to community health through discharges and emissions from processing operations can also figure prominently in community concerns, regardless of the levels involved. Conversely, operations can also positively influence community behaviour in areas of safety and community health that are not associated with company activities.*

**Factors to think about**

- Methods of transporting people and materials for mine operations
- Location of operations with respect to the community
- Security of lease and ease of access
- Nature, method, volume and concentrations of emissions and discharges
- Local food sources and chains
- Other local sources of contaminants

*What are the main influencing factors that will affect our situation? How will these change over the lifecycle of operations?*

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Examples of risks – what could go wrong?	Possible?
Mine-related traffic accidents involving community members	
Safety incidents involving community members accessing lease e.g. illegal miners at Porgera	
Spills of hazardous materials in areas accessed by community e.g. mercury spill by contractor at Yanacocha	
Theft of hazardous materials from mine operations/contractors e.g. explosives	
Emissions or discharges impact on public health	
Discharges impact on community food resources e.g. fishing grounds, lead in soil	
Company wrongly blamed for presence of contaminants or public health problems	

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*Community Risks and Opportunities – a Site-Level Tool*

Examples of opportunities to make a positive difference	Possible?
Improve traffic safety infrastructure and standards in community/region	
Develop positive safety culture in the community	
Facilitate clean-up of other sources of contaminants	
Educate community regarding use of potential contaminants e.g. mercury, agricultural chemicals	
Establish community health monitoring system	

*How would you initially rate the overall potential to make a positive difference in this area?*

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**Case Study – example from global operations**

- Description of program
- Reasons for success
- How did it add value?

**Social change**  
**Demographic changes**

*A mining operation is invariably the cause of a number of demographic changes, which will have flow-on effects for local and regional communities. Even for smaller operations with a non-residential workforce, some changes for host communities may be significant.*

**Factors to think about**

- Existing population profile (age, gender etc.)
- Size of possible population changes with respect to existing communities
- Composition of workforce and in-migrating population

*What are the main influencing factors that will affect our situation? How will these change over the lifecycle of operations?*

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Examples of risks – what could go wrong?	Possible?
Large scale in-migration to area leading to unplanned population increases	
Racial or ethnic tensions created or exacerbated by influx of people from other groups and areas.	
Gender imbalance due to influx of mainly male workforce	
Communities lose population and viability due to closure/downsizing	
Growth of illegal housing on outskirts of mine (e.g. shantytowns)	

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Examples of opportunities to make a positive difference	Possible?
Rejuvenate local population by providing incentives for mine workers and families to reside in local communities	
Adopt employment policies aimed at increasing female representation in the mining workforce	
Implement employment initiatives to encourage young people to stay in community	

*How would you initially rate the overall potential to make a positive difference in this area?*

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**Case Study – example from global operations**

- Description of program
- Reasons for success
- How did it add value?

**Social change**  
**Community cohesion and identity**

*The social changes introduced by a mining operation can impact on the sense of identity and cohesion of local communities in both positive and negative ways. Divisive issues such as the presence of a migrant workforce and certain working time arrangements are balanced by opportunities to positively contribute to community identity and function.*

**Factors to think about**

- Size, composition and diversity of community
- Presence and strength of community groups and organisations
- History of community

*What are the main influencing factors that will affect our situation? How will these change over the lifecycle of operations?*

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Examples of risks – what could go wrong?	Possible?
Social changes resulting from the presence of the mine weaken traditional power structures.	
Discrepancy between higher paid mining workers and lower paid workers in the community generates social tensions	
Community’s sense of identity and traditional values are undermined by demographic and economic changes resulting from establishment of mining development	
Uneven distribution of costs and benefits between different community groups (e.g. royalty payments, employment opportunities) generates tensions	
Imported workers and other in-migrants introduce different lifestyles and patterns of behaviour, generating tension	
Imported labour force creates resentment in community	
Working time arrangements (e.g. 12 hour shifts and continuous rosters in residential operations) reduce ability of people to participate in community activities.	
Community’s sense of identity and traditional values are undermined by demographic and economic changes resulting from downsizing or closure of mine	

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Examples of opportunities to make a positive difference	Possible?
Encourage involvement of mine personnel in local organisations	
Support capacity-building of local organisations	
Promote community-building activities e.g. festivals, provision of community facilities such as meeting hall	
Facilitate conflict resolution initiatives	

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**Case Study – example from global operations**

- Description of program
- Reasons for success
- How did it add value?

**Social change**  
**Education and training**

*Mines usually highlight the generation of community education and training opportunities as a significant benefit of the presence of an operation. These are balanced by risks associated with raising expectations too high, and failing to deliver targets in areas such as Indigenous employment.*

**Factors to think about**

- Current levels of education and training
- Community attitudes towards education and training
- Existing education and training infrastructure

*What are the main influencing factors that will affect our situation? How will these change over the lifecycle of operations?*

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Examples of risks – what could go wrong?	Possible?
Strain on local education facilities due to increase in population	
Decline in school population when mine downsizes/closes leads to reduction in education services	
Mine contributes to decline in local school population e.g. due to purchase of neighbouring properties	
Education and training improvement initiatives implemented or supported by the mine not maintained.	
Outward migration of skilled-up locals, changing the demographics of the local community.	
Failure to address cultural sensitivities may lead to the failure of education and training initiatives	
Unequal access to training opportunities causes social conflict	
People who receive mine-related training fail to obtain employment, creating disillusionment in the community (e.g. Century)	

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Examples of opportunities to make a positive difference	Possible?
Improve local education facilities and services	
Improve skills of local teachers and educators	
Implement or support initiatives to improve levels of school attendance e.g. school bus, school-based nutritional programs	
Establish scholarship/bursary schemes for local students	
Improve skill-base of local community through apprenticeship and trainee programs	
Support community adult education initiatives	

*How would you initially rate the overall potential to make a positive difference in this area?*

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**Case Study – example from global operations**

- Description of program
- Reasons for success
- How did it add value?

**Social change**  
**Local political environment**

*Existing community political structures and relationships are likely to be disturbed by a new mining operation.*

**Factors to think about**

- Existing local political structure and culture
- Capacity of community to engage with mining operations
- Involvement of workforce in local political life

*What are the main influencing factors that will affect our situation? How will these change over the lifecycle of operations?*

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Examples of risks – what could go wrong?	Possible?
Significant elements of local community oppose mine	
Changes due to mining alter local political structure leading to disenfranchisement of some groups e.g. women	
Increased opportunities for corruption/excessive influence by political figures	
Mine becomes a ‘political football’ for opposing political groups	
Increased political conflict within community	
Local political structures and processes not suited for dealing with issues related to mining operations e.g. planning decisions	

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*Community Risks and Opportunities – a Site-Level Tool*

Examples of opportunities to make a positive difference	Possible?
Support initiatives to develop skills and capabilities of local political leaders e.g. training on governance	

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**Case Study – example from global operations**

- Description of program
- Reasons for success
- How did it add value?

**Social change**  
**Crime and social order**

*The presence of a large well-paid workforce can result in an increase in certain types of crime and disorderly conduct, particularly in dynamic periods such as the construction of a new operation. Practical initiatives to address some issues can go far beyond the areas of direct impact of the mining operation.*

**Factors to think about**

- Existing levels of crime and disorder
- Strength of social controls
- Effectiveness of policing institutions
- Extent of likely social disruption resulting from mining development

*What are the main influencing factors that will affect our situation? How will these change over the lifecycle of operations?*

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Examples of risks – what could go wrong?	Possible?
Increased violence and disorder due to greater availability of alcohol	
Opportunities created for property crime e.g. burglary and theft	
Violent conflict between different groups living in or attracted to the community	
Introduction of new or intensified social problems due to changes in recreational pursuits e.g. influx of a large number of male mine workers – growth of bars/alcohol, prostitution and subsequent consequences.	
Criminal groups attracted to area due to opportunities e.g. illegal brothels, drug trafficking	

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*Community Risks and Opportunities – a Site-Level Tool*

Examples of opportunities to make a positive difference	Possible?
Support community crime prevention initiatives (e.g. neighbourhood watch, domestic violence programs)	
Incorporate crime prevention design principles in construction of mine-related housing and associated environments	
Provide or support alternative activities for groups at risk of offending e.g. juveniles	

*How would you initially rate the overall potential to make a positive difference in this area?*

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**Case Study – example from global operations**

- Description of program
- Reasons for success
- How did it add value?

**Social change  
Security forces**

*The use of government security forces to protect private mining operations in remote locations can be a source of controversy and some difficulty for both company and local communities. Several recent high profile examples from Africa, Indonesia and PNG highlight the complexities involved.*

**Factors to think about**

- Level of local / regional instability
- Presence of illegal mining activity
- History of security force involvement in area
- Government requirements relating to provision of security
- Standard of security forces e.g. human rights record, training, leadership

*What are the main influencing factors that will affect our situation? How will these change over the lifecycle of operations?*

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Examples of risks – what could go wrong?	Possible?
Human rights abuses by security forces	
Conflict between security forces and local communities	
Presence and use of security forces may increase internal conflict / tensions in the communities	
Mine employees and property not adequately protected due to deficiencies in security e.g. under-resourcing, corruption	
Some sections of the community receive better protection than others leading to community dissatisfaction	
Level of security in a mining town is not maintained upon closure	
Use of company resources by government security forces attracts negative attention	
Use of Anvil Mining trucks by government troops in anti-rebel operation which resulted in civilian deaths was highlighted in the international press.	

*How would you initially rate the overall risk of negative impacts in this area?*

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*Community Risks and Opportunities – a Site-Level Tool*

Examples of opportunities to make a positive difference	Possible?
Support human rights training for security forces in region	

*How would you initially rate the overall potential to make a positive difference in this area?*

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**Case Study – example from global operations**

- Description of program
- Reasons for success
- How did it add value?

**Social change**  
**Cultural heritage**

*There are few areas where some degree of cultural heritage associated with extended habitation of the landscape does not exist. It is a significant issue for many Indigenous communities that retain strong cultural links to traditional land. It can also be relevant in other contexts such as historical mining districts.*

**Factors to think about**

- Presence of cultural heritage sites
- Legislative framework for cultural heritage protection
- Knowledge and expertise in cultural heritage management

*What are the main influencing factors that will affect our situation? How will these change over the lifecycle of operations?*

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Examples of risks – what could go wrong?	Possible?
Sites or areas of cultural significance (including landscapes) may be damaged or destroyed by mining-related activity	
Local traditions and culture are weakened by influx of people	
Loss of community access to culturally significant sites	

*How would you initially rate the overall risk of negative impacts in this area?*

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Examples of opportunities to make a positive difference	Possible?
Build capacity of communities to protect and promote cultural heritage	
Preserve/highlight local heritage e.g. Cannington and Cadia	

*How would you initially rate the overall potential to make a positive difference in this area?*

*Negligible, Low, Medium, High or Extreme .....*

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**Case Study – example from global operations**

- Description of program
- Reasons for success
- How did it add value?

**Social change**  
**Indigenous communities**

*Interactions between mining operations and Indigenous communities have often been a source of problems, complicated by the influence of relevant legislation. More recently many companies and communities have tried to work together to mutual advantage through formal agreements such as Indigenous Land Use Agreements, as well as less formal approaches.*

**Factors to think about**

- Presence & prominence of Indigenous community in area
- Capacity of communities to deal with mining developments (previous exposure and experience)
- Existence of formal Indigenous groups e.g. Lands Council
- National and provincial legislative and policy framework regarding Indigenous rights and interests

*What are the main influencing factors that will affect our situation? How will these change over the lifecycle of operations?*

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Examples of risks – what could go wrong?	Possible?
Indigenous community does not consent to development	
Company misidentifies Traditional Owners, overlooks groups	
Presence of mine changes power dynamics in community – increased internal conflict, less respect for elders etc	
Loss of a reasonable level of access to areas of cultural significance on mining lease	
Increased access to Indigenous land by third parties e.g. hunters, illegal loggers	
Introduction of new influences undermines traditional culture	
Lack of effective governance structures to manage royalties and benefits appropriately	

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Examples of opportunities to make a positive difference	Possible?
Encourage maintenance/revival of cultural traditions e.g. support cultural troupes, establishment of arts centres	
Provide training and employment opportunities for Indigenous community members	
Facilitate Indigenous enterprises through interactions and contracts with the mining operation e.g. tourism ventures	
Utilise traditional knowledge in management of mine lands	
Take positive action to preserve cultural heritage items e.g. establish a “keeping place” for artefacts	
Provide infrastructure on closure to support Indigenous communities	
Improve workforce awareness of Indigenous communities and rights e.g. Argyle smoking ceremony.	

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**Case Study – example from global operations**

- Description of program
- Reasons for success
- How did it add value?

**Social change  
Resettlement**

*Some mining operations will require resettlement of people, ranging from single dwellings to entire villages. In some cases squatters or illegal miners may also be involved. Often a source of controversy, voluntary resettlement does also offer opportunities for effecting significant positive outcomes.*

**Factors to think about**

- History of region
- Presence of cultural/religious sites
- Nature and size of communities involved
- Legal rights to land

*What are the main influencing factors that will affect our situation? How will these change over the lifecycle of operations?*

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Examples of risks – what could go wrong?	Possible?
Affected groups do not consent to resettlement e.g. Tambogrande proposal in Peru foundered due to community opposition.	
Resettlement plans creates tension and disagreement in community e.g. proposals at Rosia Montana in Romania have divided villages.	
Resettled communities are disadvantaged e.g. loss of livelihood, reduction in living conditions	
Resettlement of small-scale miners to make way for large scale development results in conflict and controversy e.g. Bulyanhulu in Tanzania	

*How would you initially rate the overall risk of negative impacts in this area?*

*Negligible, Low, Medium, High or Extreme .....*

*If more than low, what are the main sources of risk?*

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*Community Risks and Opportunities – a Site-Level Tool*

Examples of opportunities to make a positive difference	Possible?
Establish alternative, more sustainable livelihoods for resettled groups	
Partner with NGO's or International agencies to promote improvements in net welfare of affected groups	
Use resettlement as an opportunity to showcase appropriate models of development e.g. community layout, housing, use of materials	

*How would you initially rate the overall potential to make a positive difference in this area?*

*Negligible, Low, Medium, High or Extreme .....*

*If more than low, what are the main sources of these opportunities?*

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**Case Study – example from global operations**

- Description of program
- Reasons for success
- How did it add value?

**Local/regional economy**  
**Labour market**

*Mines often represent the single largest employer in the region. They can therefore induce significant changes in local labour markets, with potential flow-on economic and social effects. The balance between local employment programs and the use of imported labour can generate many risks and opportunities.*

**Factors to think about**

- Extent of existing labour pool in relevant communities
- Levels of unemployment
- Size of operation and extent to which labour is sourced locally
- Dependence of other industries/activities on labour
- Relativities of pay rates

*What are the main influencing factors that will affect our situation? How will these change over the lifecycle of operations?*

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Examples of risks – what could go wrong?	Possible?
Demand from mining operation creates labour shortages in local community leading to wage inflation, chronic skill shortages, etc	
Closure/downsizing of operation creates a labour surplus leading to unemployment, wage reductions etc.	
Other industries in area are unable to compete for labour, leading to a reduction in economic diversity.	
Local labour market is unable to meet operation’s requirements	
Mining operation does not meet local expectations with respect to the creation of job opportunities	

*How would you initially rate the overall risk of negative impacts in this area?*

*Negligible, Low, Medium, High or Extreme .....*

*If more than low, what are the main sources of risk?*

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*Community Risks and Opportunities – a Site-Level Tool*

Examples of opportunities to make a positive difference	Possible?
Provide skills and job readiness training to local population to expand the local labour pool	
Work with suppliers to generate local training and employment opportunities	
Facilitate the development of other economic activities (e.g. tourism, horticulture) to provide employment when the mine closes or downsizes	
Develop a mobile mining workforce which can find other mining related employment post-closure	

*How would you initially rate the overall potential to make a positive difference in this area?*

*Negligible, Low, Medium, High or Extreme .....*

*If more than low, what are the main sources of these opportunities?*

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**Case Study – example from global operations**

- Description of program
- Reasons for success
- How did it add value?

**Local/regional economy**  
**Local economy**

*The cash flows associated with a mining operation, both in terms of wages and purchasing of supplies, will often dominate local economies. While this can generate short term benefits, the impacts can also adversely impact other existing industries. Recognising and planning for all associated short and long term impacts is an important aspect.*

**Factors to think about**

- Existing industries in the region
- Profile of mining in region and supporting industries in the region
- Cumulative impacts of other mining operations

*What are the main influencing factors that will affect our situation? How will these change over the lifecycle of operations?*

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Examples of risks – what could go wrong?	Possible?
Opposition to mine from existing industries	
Decreased viability/profitability of other local industries e.g. tourism	
Reduced diversity of regional economy	
Lack of supporting industries for a ‘greenfield’ site	
Increased competition for existing infrastructure and services e.g. water	
Supporting industries are not sustained beyond closure	
Mining activity prevents other uses of land	
Local economy collapses/deteriorates approaching closure	
Increased local prices/high inflation or hyper inflation	

*How would you initially rate the overall risk of negative impacts in this area?*

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*If more than low, what are the main sources of risk?*

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*Community Risks and Opportunities – a Site-Level Tool*

Examples of opportunities to make a positive difference	Possible?
Increase linkages with existing industries (e.g. provision of services to the mine, synergies)	
Attract supporting industries to the region	
Provide assistance to support the creation of new businesses	
Facilitate business development training for local community	

*How would you initially rate the overall potential to make a positive difference in this area?*

*Negligible, Low, Medium, High or Extreme .....*

*If more than low, what are the main sources of these opportunities?*

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**Local/regional economy**  
**Management of taxes and royalties**

*Mining operations usually contribute significant revenue to national and regional governments through taxes and royalty payments. However, a recurring theme is the perceived lack of government investment in infrastructure and services for local communities.*

**Factors to think about**

- Existing royalty arrangements
- Relationships between levels of government
- Facilities such as tax-credit schemes
- Community expectations

*What are the main influencing factors that will affect our situation? How will these change over the lifecycle of operations?*

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Examples of risks – what could go wrong?	Possible?
Community expectations exceed the amount of funding available, leading to frustration, resentment and conflict	
Unequal division of taxes and royalties among levels of government: local communities perceive not getting fair share of royalties and taxes from mine	
Corruption prevents benefits flowing to designated communities	
Perceived unequal distribution of taxes and royalties between different communities creates conflict	
Projects funded by royalty payments are not sustained once royalties cease	
Royalty payments not used to benefit community	

*How would you initially rate the overall risk of negative impacts in this area?*

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*If more than low, what are the main sources of risk?*

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*Community Risks and Opportunities – a Site-Level Tool*

Examples of opportunities to make a positive difference	Possible?
Create trusts to manage royalty incomes	
Improve capacity of communities to use royalty incomes to support projects that have long term benefits	
Structure payments to increase chances of continued funding for projects e.g. invest a portion into a capital fund to fund maintenance and replacement of assets in the future.	

*How would you initially rate the overall potential to make a positive difference in this area?*

*Negligible, Low, Medium, High or Extreme .....*

*If more than low, what are the main sources of these opportunities?*

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**Local/regional economy  
Traditional livelihoods**

*The traditional livelihoods of communities in the vicinity of a mining operation can be impacted in a number of ways. Movement of sections of the workforce to mining activities can result in difficulties, while carefully-planned programs can enhance post-mining outcomes.*

**Factors to think about**

- Nature, size and diversity of local economy
- Extent of community reliance on traditional livelihoods
- Types of traditional livelihoods

*What are the main influencing factors that will affect our situation? How will these change over the lifecycle of operations?*

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Examples of risks – what could go wrong?	Possible?
Local recruitment for mine operation removes labour pool for supporting traditional livelihoods.	
Long term loss of skills and knowledge (e.g. in farming, fishing) due to shift to mine-related employment.	
Access to land is cut-off by the mining operation, preventing activities such as the use of gardens for local food sources.	
Mining activities damage traditional food sources (e.g. fishing grounds)	

*How would you initially rate the overall risk of negative impacts in this area?*

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*If more than low, what are the main sources of risk?*

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*Community Risks and Opportunities – a Site-Level Tool*

Examples of opportunities to make a positive difference	Possible?
Partner with other organisations on livelihood projects	
Use rehabilitation as an opportunity to establish new livelihoods (e.g. creation of sustainable forest resource)	

*How would you initially rate the overall potential to make a positive difference in this area?*

*Negligible, Low, Medium, High or Extreme .....*

*If more than low, what are the main sources of these opportunities?*

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**Local/regional economy**  
**Artesanal mining**

*Small-scale or artesanal mining of high value minerals such as gold often occurs in the vicinity of proposed or existing larger scale operations. Both local communities and migrant workforces can be involved, and there are a number of high profile cases where conflict between companies and communities has developed. Equally, there are some good examples where co-operative approaches have improved small-scale mining practices, particularly in the areas of safety and environmental management.*

**Factors to think about**

- Prevalence of small-scale mining in region and on or near lease
- Local community involvement in small-scale mining
- Level of organisation of small-scale mining activity
- Small-scale mining laws and legislation

*What are the main influencing factors that will affect our situation? How will these change over the lifecycle of operations?*

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Examples of risks – what could go wrong?	Possible?
Poor legacy of small-scale mines (e.g. poor safety record & environmental destruction) leads to a negative disposition towards new larger-scale mining operation	
Loss of livelihood for existing small-scale miners	
Exploration activities for large-scale mining development leads to conflict with small-scale operators	
Opening up of resource attracts illegal mining and trading (e.g. gold mines)	
Illegal miners on lease exposed to safety hazards resulting in injury or death e.g. accessing pit walls at Porgera	
Clashes between security forces and illegal miners results in community tension, injuries, international attention	
Environmental damage caused by small scale miners attributed to company e.g. mercury levels in fish	

*How would you initially rate the overall risk of negative impacts in this area?*

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*If more than low, what are the main sources of risk?*

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*Community Risks and Opportunities – a Site-Level Tool*

Examples of opportunities to make a positive difference	Possible?
Provide technical know-how, information and equipment to small-scale miners	
Open deposits or areas of lease not deemed suitable for large scale development to small-scale miners	
View small-scale miners as a recruitment source for new operation	
Help to establish or sponsor small-scale central processing plants	
Provide access to emergency services	
Buy and treat tailings	

*How would you initially rate the overall potential to make a positive difference in this area?*

*Negligible, Low, Medium, High or Extreme .....*

*If more than low, what are the main sources of these opportunities?*

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**Local/regional economy**  
**Land tenure**

*The development of mining leases over areas that have other forms of ownership or legal rights has often been a source of conflict in the past. There are large variations in approaches to this subject between different countries.*

**Factors to think about**

- Land values and existing land uses
- Presence and status of existing lease arrangements
- Patterns of traditional ownership
- Legal recognition of traditional rights and interest in land

*What are the main influencing factors that will affect our situation? How will these change over the lifecycle of operations?*

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Examples of risks – what could go wrong?	Possible?
Generation of excessive claims for compensation	
Landowners refuse to sell requiring exercise of compulsory acquisition powers	
Misidentification of traditional owners	
Reduction in land values due to proximity to mine	
Damage to adjoining land e.g. subsidence	

*How would you initially rate the overall risk of negative impacts in this area?*

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*If more than low, what are the main sources of risk?*

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*Community Risks and Opportunities – a Site-Level Tool*

Examples of opportunities to make a positive difference	Possible?
Support initiatives to clarify land tenure e.g. survey	

*How would you initially rate the overall potential to make a positive difference in this area?*

*Negligible, Low, Medium, High or Extreme .....*

*If more than low, what are the main sources of these opportunities?*

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**Local/regional infrastructure  
Local services and utilities**

*In some areas the additional demand caused by mines and their workforce will generate significant pressure on existing services. In other more remote areas, a mining operation can become the de facto supplier of such services.*

**Factors to think about**

- Availability and capacity of local services / utilities
- Cost and consistency of supply
- Size of population changes attributable to mine
- Levels of demand and use
- Local regulatory capacity and policies

*What are the main influencing factors that will affect our situation? How will these change over the lifecycle of operations?*

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Examples of risks – what could go wrong?	Possible?
Increased strain on utilities (power/water, waste disposal) due to increase in population	
Overreliance on mine to provide and maintain services / utilities	
Increased competition for scarce resource or service, e.g. water, results in price increases or reduced availability for non-mine users	
Relevant government authorities lack resources and/or capacity to meet additional demands on infrastructure	
Community groups disrupt operations by targeting infrastructure	
Loss of or deterioration of infrastructure post-closure results in decreased services for local community	
Drought conditions can result in tensions between local communities and mining companies regarding the impact of mine activities on water supplies	

*How would you initially rate the overall risk of negative impacts in this area?*

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*If more than low, what are the main sources of risk?*

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*Community Risks and Opportunities – a Site-Level Tool*

Examples of opportunities to make a positive difference	Possible?
Improve quality & reliability of supply of services to communities (e.g. clean water supply, sanitation)	
Develop local / regional waste recycling and disposal systems	
Develop local business and employment opportunities to provide and maintain services	
Development of sustainable infrastructure for communities	
Century Mine accepts waste from the nearby National Park for processing at its own waste management facility.	

*How would you initially rate the overall potential to make a positive difference in this area?*

*Negligible, Low, Medium, High or Extreme .....*

*If more than low, what are the main sources of these opportunities?*

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**Local/regional infrastructure**  
**Transport infrastructure**

*Mining operations require large-scale, efficient transport options for both people and materials. They therefore have the potential to improve significantly existing infrastructure in areas where it might be deficient. However, upgraded and busier transport corridors can be a source of risk and community concern as well.*

**Factors to think about**

- Existing infrastructure
- Level of use during and following mine operation
- Regional planning frameworks
- Capacity of community/government to maintain infrastructure

*What are the main influencing factors that will affect our situation? How will these change over the lifecycle of operations?*

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Examples of risks – what could go wrong?	Possible?
New/improved road access leads to uncontrolled in-migration e.g. settlements along Ok Tedi highway.	
Increased access to sensitive environmental / cultural areas damages values associated with the area e.g. logging activities from mine access roads	
Overreliance on mine to provide and maintain transport infrastructure for the community	
Decreased amenity values of areas around transportation corridors (e.g. increased dust and noise levels)	
Community groups disrupt operations by targeting infrastructure e.g. road blockades at Porgera.	
Community dissatisfaction due to lack of access to mine transport infrastructure e.g. airstrips	
Transport infrastructure deteriorates post-closure	
Community develops expectation that infrastructure will be maintained indefinitely	

*How would you initially rate the overall risk of negative impacts in this area?*

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*Community Risks and Opportunities – a Site-Level Tool*

Examples of opportunities to make a positive difference	Possible?
Improve access for isolated communities	
Facilitate community's ability to transport goods and produce through use of company infrastructure e.g. use of company barges for movement of produce to market in the Philippines.	
Facilitate tourist access to remote areas e.g. use of Argyle airstrip for tour groups.	
Develop local capacity in transport infrastructure construction, maintenance & supporting services (e.g. local road works enterprise, emergency response)	
Make mine transport infrastructure available to support post-mine economic projects such as tourism	

*How would you initially rate the overall potential to make a positive difference in this area?*

*Negligible, Low, Medium, High or Extreme .....*

*If more than low, what are the main sources of these opportunities?*

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**Local/regional infrastructure  
Housing**

*Availability and pricing of housing for residential workforces is often a focus for new operations. Mines can generate very large housing market ‘bubble’ effects in established communities, but can also be the catalyst for improvements.*

**Factors to think about**

- Proximity of housing areas to mine
- Housing availability & future requirements
- Size and strength of local housing market
- Level of regional mining activity

*What are the main influencing factors that will affect our situation? How will these change over the lifecycle of operations?*

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Examples of risks – what could go wrong?	Possible?
Housing shortages due to influx of workforce and in-migration	
Lack of capacity of local housing industry to support required expansion	
Lack of suitable land for housing developments	
Poor standard or unsuitability of local housing stock impacts adversely on recruitment and retention	
Conflict within workforce and/or community due to variable standards of housing	
Reduced affordability of housing due to demand pressures or activities of speculators e.g. Central Queensland coal towns during boom period	
Negative impact on property values due to proximity to mine or transport corridor	
Damage to housing due to mining activities e.g. subsidence, blasting	
Housing market adversely affected by downsizing/closure	

*How would you initially rate the overall risk of negative impacts in this area?*

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*If more than low, what are the main sources of risk?*

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*Community Risks and Opportunities – a Site-Level Tool*

Examples of opportunities to make a positive difference	Possible?
Develop local business and employment opportunities to service the housing market	
Improve community housing stock by setting high standards for company housing e.g. Anglo Coal approach in Moranbah	
Make unused or rehabilitated areas available for new housing developments	
Accommodation facilities and housing made available for local community purposes when no longer required by mine	

*How would you initially rate the overall potential to make a positive difference in this area?*

*Negligible, Low, Medium, High or Extreme .....*

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**Local/regional infrastructure**  
**Recreational facilities**

*Competition for limited recreational facilities between an imported workforce and established community can result in conflict and/or overuse of a facility. Conversely, there are now a number of examples where mine closure initiatives have established new and improved facilities for the community.*

**Factors to think about**

- Existing recreational facilities and usage patterns
- Recreational interests of mine personnel/families and community
- Local land ownership and management

*What are the main influencing factors that will affect our situation? How will these change over the lifecycle of operations?*

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Examples of risks – what could go wrong?	Possible?
Increased demand leads to pressure on local recreation facilities / areas	
Conflict between community and mine personnel/families over use of recreational areas and facilities	
Recreational areas such as beaches suffer environmental degradation due to increased use	

*How would you initially rate the overall risk of negative impacts in this area?*

*Negligible, Low, Medium, High or Extreme .....*

*If more than low, what are the main sources of risk?*

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*Community Risks and Opportunities – a Site-Level Tool*

Examples of opportunities to make a positive difference	Possible?
Fund/build/provide recreation facilities (e.g. swimming pool, walking tracks)	
Make mine-site recreational facilities (such as swimming pool, gym, tennis courts) available for local communities or by tourism ventures	
Support/undertake rehabilitation of recreational areas e.g. BMA have assisted beach restoration projects near their coal loading facilities at Hay point, with several operational personnel involved on a voluntary basis.	
Develop new recreational facilities or areas as part of closure program e.g. Kennecott Copper in the US backfilled the Flambeau mine and established a nature reserve with public access and walking trails over the top of the former mine.	
Coal operations near Collie in Western Australia won a 2005 industry award for establishing community facilities including motorsports areas and recreational lakes in rehabilitated mined lands.	

*How would you initially rate the overall potential to make a positive difference in this area?*

*Negligible, Low, Medium, High or Extreme .....*

*If more than low, what are the main sources of these opportunities?*

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**Physical environment**  
**Water**

*The impact of mining activities on water resources is often of high concern to local communities. Competition for water in scarce environments and issues resulting from management of wastes (tailings, rock dumps etc) can be very significant. Various opportunities exist for realising beneficial outcomes as well.*

**Factors to think about**

- Sources and availability
- Other users
- Current and anticipated demand levels
- Existing water quality
- Regulatory framework

*What are the main influencing factors that will affect our situation? How will these change over the lifecycle of operations?*

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Examples of risks – what could go wrong?	Possible?
Mining operation seen as contributing to local scarcity	
Mining operation displaces other water users	
Damage or loss of functions of water courses and aquifers	
Decreased water quality due to contaminants e.g. salts, heavy metals, acid mine drainage	
Mine is blamed for changes in water quality	
Damage to water resources and/or riverine environment resulting from tailings disposal	

*How would you initially rate the overall risk of negative impacts in this area?*

*Negligible, Low, Medium, High or Extreme .....*

*If more than low, what are the main sources of risk?*

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*Community Risks and Opportunities – a Site-Level Tool*

Examples of opportunities to make a positive difference	Possible?
Use infrastructure to improve reliability and quality of water supply.	
Facilitate improvements in water management practices for other users e.g. bore capping, offtake maintenance, dam covers	
Take action to address non-mine related sources of contaminants	
Establish water efficiency synergies with other industries or mines e.g. Hunter Valley mines have implemented a trading scheme which has resulted in reduced offtake of raw water and reduced discharges.	
Use of voids and dams as water storage and/or recreational facilities	
Promote water conservation initiatives in community	
Cadia operations provide a guaranteed flow in the local river.	

*How would you initially rate the overall potential to make a positive difference in this area?*

*Negligible, Low, Medium, High or Extreme .....*

*If more than low, what are the main sources of these opportunities?*

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**Physical environment  
Other natural resources**

*Local communities can have very strong links to natural resource management issues (other than water) in their area. A range of risks and opportunities can arise from changes in access and populations, as well as the direct impacts associated with the mining operations.*

**Factors to think about**

- environmental management legislation
- current land uses
- proximity of protected areas and sensitive environmental areas to mine
- size of current population and project population increase
- scale and type of mining activity undertaken

*What are the main influencing factors that will affect our situation? How will these change over the lifecycle of operations?*

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Examples of risks – what could go wrong?	Possible?
Increase in population associated with mining development places pressure on natural resources (e.g. clearing of forests for firewood)	
Improved access to area puts natural resources at risk (e.g. roads open up area to loggers)	
Mining activities damage/destroy vegetation of value to community (e.g. vehicle movements spread dieback in forests; introduction of weeds)	
Mining activities lead to a loss of biodiversity (e.g. the loss of endangered/rare local species due to the removal of vegetation)	

*How would you initially rate the overall risk of negative impacts in this area?*

*Negligible, Low, Medium, High or Extreme .....*

*If more than low, what are the main sources of risk?*

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*Community Risks and Opportunities – a Site-Level Tool*

Examples of opportunities to make a positive difference	Possible?
Create alternative livelihood opportunities to take pressure off natural resources (e.g. provide illegal loggers with alternative employment)	
Initiate action to protect sensitive natural areas (e.g. fence off endangered vegetation and/or habitats; undertake weed eradication program)	
Rehabilitate disturbed land in a way that contributes to the biodiversity of the area	
Support programs to educate local community on value of natural resources e.g. promote sustainable agriculture practices	
Support community revegetation programs in degraded areas e.g. Hunter Valley riparian revegetation project	
Use offsets to realise net improvements in biodiversity	

*How would you initially rate the overall potential to make a positive difference in this area?*

*Negligible, Low, Medium, High or Extreme .....*

*If more than low, what are the main sources of these opportunities?*

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**Physical environment  
Environmental amenity**

*Amenity issues such as noise and dust are often cause for complaint in populated areas. While opportunities in this area may be more limited, there may be some scope in addressing abandoned mining areas which are of concern.*

**Factors to think about**

- Proximity of mining and processing operations to communities
- Presence of other industries
- Community experience of mining amenity issues

*What are the main influencing factors that will affect our situation? How will these change over the lifecycle of operations?*

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Examples of risks – what could go wrong?	Possible?
Increased mine-related traffic	
Noise from mine activities e.g. trucks, processing plants	
Dust	
Airblast and vibration from blasting	
Intrusive lights	
Loss of visual amenity	
Loss of local population within vicinity of a mine (move to demographics)	

*How would you initially rate the overall risk of negative impacts in this area?*

*Negligible, Low, Medium, High or Extreme .....*

*If more than low, what are the main sources of risk?*

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*Community Risks and Opportunities – a Site-Level Tool*

Examples of opportunities to make a positive difference	Possible?
Take action to reduce other sources of amenity loss not related to mine e.g rehabilitate spoil from abandoned mined lands.	

*How would you initially rate the overall potential to make a positive difference in this area?*

*Negligible, Low, Medium, High or Extreme .....*

*If more than low, what are the main sources of these opportunities?*

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**Government and other stakeholders**  
**Local / Regional / National Governments**

*Relationships between mining companies, local communities and various levels of government are usually extremely complex and dynamic. Often the cause for some friction, mining operations could also provide a catalyst for resolving other issues.*

**Factors to think about**

- Legislative and regulatory framework
- Respective roles and responsibilities of different levels of government
- Government presence and influence in local region
- Perceived legitimacy and authority of government by local communities

*What are the main influencing factors that will affect our situation? How will these change over the lifecycle of operations?*

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Examples of risks – what could go wrong?	Possible?
Local opposition to national government makes mine a target for political action	
Inadequate government expenditure in mining affected communities/regions leads to pressure on mine to provide services and infrastructure	
Conflict between community and government over dispersion of royalties and taxes	
Inefficient or corrupt government processes leads to delays in obtaining regulatory approvals	
Government lacks resources to provide regulatory oversight, leading to inability to provide independent verification of company performance	

*How would you initially rate the overall risk of negative impacts in this area?*

*Negligible, Low, Medium, High or Extreme .....*

*If more than low, what are the main sources of risk?*

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*Community Risks and Opportunities – a Site-Level Tool*

Examples of opportunities to make a positive difference	Possible?
Initiate discussions with government on revenue sharing arrangements between local, regional and national levels	
Provide training and educational opportunities to upskill the local/regional public service e.g. scholarships	
Involve reputable NGO's in providing verification of performance	
Establish consultative mechanisms that include representatives of local, regional and national government agencies	

*How would you initially rate the overall potential to make a positive difference in this area?*

*Negligible, Low, Medium, High or Extreme .....*

*If more than low, what are the main sources of these opportunities?*

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**Government and other stakeholders  
Civil Society Organisations (inc. NGOs)**

*Civil society organisations such as NGOs are taking a prominent role in discussions on existing and potential mining operations. Partnerships to realise sustainable development outcomes are increasingly being adopted by the industry.*

**Factors to think about**

- Size and ownership structure of mine operation (e.g. multinational companies are likely to attract more NGO interest)
- Level of interest by external organisations in operation
- Relationship of external organisations with communities

*What are the main influencing factors that will affect our situation? How will these change over the lifecycle of operations?*

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Examples of risks – what could go wrong?	Possible?
Intervention by organisations critical of mining reduces support for project	
Involvement of external organisations creates community conflict	

*How would you initially rate the overall risk of negative impacts in this area?*

*Negligible, Low, Medium, High or Extreme .....*

*If more than low, what are the main sources of risk?*

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*Community Risks and Opportunities – a Site-Level Tool*

Examples of opportunities to make a positive difference	Possible?
Partner with external organisations to deliver community development and/or environmental improvement programs	
Use respected NGOs to provide external verification of social and environmental performance e.g. Cannington and the North Queensland Conservation Council.	

*How would you initially rate the overall potential to make a positive difference in this area?*

*Negligible, Low, Medium, High or Extreme .....*

*If more than low, what are the main sources of these opportunities?*

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### **3. Guidelines on engaging with external stakeholders about risks and opportunities**

This document provides practical guidance to operations on how to involve community members and other external stakeholders<sup>1</sup> in developing a risk and opportunity management strategy.

Taking a consultative approach is both the right thing to do and the smart thing to do. By listening to and engaging with their communities, operations will have a better understanding of what the real issues and opportunities are. Community members, for their part, will be more likely to trust an operation and be supportive of its community support programs if they perceive management as responsive and open.

The latest Australian/New Zealand Risk Management Standard (AS/NZ 4360-2004) emphasises that:

Communication and consultation are important considerations at each stage of the risk management process. They should involve a dialogue with stakeholders with efforts focused on consultation rather than a one way flow of the information from the decision maker to other stakeholders ... Since the views of stakeholders can have a significant impact on the decisions made, it is important that their perceptions of risk be identified and recorded and integrated into decision-making processes (p.11).

#### **When and how should external stakeholders be involved?**

The basic process for conducting a risk and opportunity assessment comprises three steps: pre-workshop information gathering, the workshop itself, and post-workshop follow-up and implementation. Stakeholder input should be sought in each of these stages, as shown in the table below.

A community risk and opportunity management strategy may be developed as part of a more comprehensive social impact assessment (SIA) or alternatively, may be prepared as a stand-alone exercise. The consultation process outlined below assumes that a stand-alone approach is being used. If a full-scale SIA is being conducted, the consultations will generally need to be more wide-ranging and of greater depth.

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<sup>1</sup> This discussion follows standard industry practice and uses the term ‘stakeholder’ as shorthand for ‘interested and affected parties’.

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<b>Stage</b>	<b>Main tasks</b>	<b>Key stakeholders to involve</b>	<b>Aims in involving stakeholders</b>
Pre- workshop	<p>Prepare a briefing paper for the workshop identifying potential risks and opportunities relevant to the community.</p> <p>Document what is currently being done – or is proposed to be done - to address these risks and opportunities.</p>	<p>Groups and individuals living in or active in, the local and regional community.</p> <p>Public and private organisations which are active in the community (e.g. Government agencies, church organisations).</p> <p>Other individuals and organisations who are knowledgeable about the community (e.g. researchers, local journalists).</p>	<p>Provide the opportunity for affected and interested groups and individuals in the community to ‘be heard’ on issues of concern to them.</p> <p>Ensure that the full range of community concerns, expectations and needs have been identified and understood.</p> <p>Communicate to stakeholders that the mining operation is responsive and cares about the community.</p>
Workshop	<p>Rank risks and opportunities.</p> <p>Identify possible controls.</p>	<p>Knowledgeable individuals who are not tied to particular interest groups or factions (e.g. members of local and regional planning authorities; researchers; respected community leaders).</p>	<p>Ensure that the workshop gives - and is seen to give - due weight to community perspectives.</p> <p>Utilise ‘expert knowledge’ about the community to help rank risks and opportunities and identify possible controls.</p>
Post-workshop	<p>Provide the community with feedback on workshop outcomes.</p> <p>Refine and implement management strategies for addressing prioritised risks and opportunities.</p>	<p>Sectors of the community who may be the focus of, or otherwise affected by, the proposed controls.</p> <p>Groups and individuals who may be able to assist in implementing these controls.</p>	<p>Keep the community informed about what is happening and what is planned.</p> <p>Ensure that proposed controls have the support of, and are understood by, potentially affected groups in the community.</p> <p>Identify and obtain ‘buy in’ from potential partners; ensure that there is alignment with other service providers.</p>

## **The pre-workshop stage**

In this initial stage the aims should be to:

- make contact with all relevant external stakeholders and give them the opportunity to be heard on issues that concern or interest them
- build an understanding of the community and its needs, concerns and expectations
- communicate to stakeholders that the operation cares about the community, is responsive and wants to make a positive contribution.

The specific steps to be followed in this stage are described below.

### *Step One: Determine who should be consulted*

The primary focus should be on obtaining input from those groups, organisations and individuals residing in, or active in, the surrounding area who:

1. have the capacity to impact on current or future operations;
2. are dependent on, or likely to be affected by, the mine;
3. have influence in and over the community; and/or
4. are knowledgeable about the community.

Each operation will have its own unique stakeholder profile, but the sorts of groups who should normally be consulted when preparing a risk and opportunity assessment include:

- community leaders (both formal and informal)
- adjoining landowners and anyone else in the area whose livelihood or amenity may be impacted on by the mining operation (e.g. artisanal miners, fishermen, farmers)
- Indigenous people who have a connection to the area
- ethnic groups, clans, tribes and other groupings living in the area (including minorities and oppressed groups)
- local and regional government officials
- community service providers (e.g. churches, community health workers, schools, law enforcement officials)
- community organisations (e.g. Progress Associations, local environmental groups, Chambers of Commerce)
- NGOs that are active in the area
- employees living locally
- other individuals who are knowledgeable about the community (e.g. researchers, local journalists, school principals).

The basic rule is to be as inclusive as practical, having regard to the size and complexity of the community. It is particularly important to include marginalised groups (such as women, young people, ethnic minorities and squatters) and to engage with critics, as well as supporters, of the project.

*Step Two: Decide how people will be consulted*

There are many different ways of conducting consultations, including: one-on-one interviews, group discussions, public meetings, formalised focus groups, multi-stakeholder workshops, consultative committees, written communications, and surveys of various kinds. None of these techniques is inherently better than the other: rather, which ones are most suitable will depend on the situation and the characteristics of different stakeholder groups. For example, officials and community leaders will generally be comfortable participating in formal one-on-one interviews, but this may not be a good way of obtaining input from a group of Indigenous people.

In designing a consultation strategy, it is very important to select techniques that put people at ease, encourage their involvement, promote the frank exchange of information and views, and draw out a broad cross-section of opinion. The community's own representative institutions should be recognised and used where practical, although it may also be necessary to employ additional tools where some sections of the community (e.g. women and young people) are excluded or marginalised from these processes.

Specific factors to take into account in deciding which techniques to employ include:

- how the stakeholders themselves would prefer to provide input
- what is culturally appropriate (for example, should there be separate meetings for men and women?)
- the governance structures of the community
- the size, complexity and internal dynamics of the community and its constituent groups
- standards of literacy and education
- what languages are used in the community
- the extent and nature of previous contact between the operation and its various stakeholders.

See the resources listed at the end of this document for further advice on managing these and related issues.

*Step Three: Conduct the consultations*

When conducting consultations be sure to inform people at the outset about why their input is being sought, and what will be done with the information and advice that they provide. Participants should also be told that feedback will be provided on the outcomes of the exercise. Being 'upfront' will help to build trust and credibility. Behaving secretively, on the other hand, will promote suspicion and mistrust and fuel rumours.

Discussions should be held in the individual's or group's native language, unless people indicate that they are proficient in, and comfortable about, speaking in another, more widely used, language.

Remember that effective consultation takes time, especially where communities rely on consensual decision-making processes. Conducting and facilitating consultations also requires considerable skill, so consider bringing in external specialists to assist. This will be especially important where the community is large and diverse, there are significant language and cultural differences, and/or there is a history of mistrust between the operation and the community.

*Step Four: Synthesise and integrate*

The consultation process is likely to produce a mass of information and opinions. This raw data will need to be condensed and ordered so that the key themes can be quickly and easily communicated to workshop participants.

A suggested approach is to:

- a) write a summary of 'key points from the stakeholder consultations' for inclusion in the workshop briefing papers;
- b) include a column in the risk and opportunity assessment spreadsheet indicating, for each prompt, which stakeholders (if any) had raised this issue and summarising what they had to say; and
- c) ensure that the person(s) with primary responsibility for conducting the consultations participates in the workshop.

### **The workshop**

Inviting selected external stakeholders to participate in the workshop is a further way of ensuring that the community voice is heard, and will also add to the expertise available to the workshop.

External participants should be chosen primarily on the basis of their knowledge of the local community: for example, personnel from local or regional planning authorities, experienced researchers, and respected community representatives who can take a broad view. Care should be taken not to involve individuals who are closely aligned with particular interest groups or 'causes'.

Because people from outside the industry may not be familiar with risk assessment techniques, they will need to have the process and their role in it carefully explained. It may also help to offer them a pre-workshop briefing and training session.

### **After the workshop**

In the period following the workshop the key tasks will be to:

- provide the community with feedback on the outcomes of the workshop and keep people informed about what actions are being taken – or are planned – to address key issues
- ensure that planned controls have the support of, and are understood by, potentially affected groups in the community
- obtain 'buy in' from, and alignment with, service providers and potential partners in the community and the wider region.

The engagement and communication processes required to advance these objectives will be specific to each operation and will need to be incorporated into the operation's ongoing planning processes. In broad terms, however, operations should take a proactive rather than reactive approach. This means that the focus should not just be on providing information and responding to concerns, but on seeking out the views of stakeholders and engaging them in regular dialogue about how the operation can contribute to better outcomes for the community.

## RESOURCES

AccountAbility (2005) *The Stakeholder Engagement Manual, Volume 2, The Practitioner's Handbook on Stakeholder Engagement* (accessible at <http://www.stakeholderresearch.com/publications.htm> or <http://www.accountability.org.uk/>).

Coastal CRC (2005) *The Citizen Science Toolbox*, Griffith University Australia (accessible at: <http://www.coastal.crc.org.au/toolbox/index.asp>)

Consultative Forum on Mining and the Environment (2002). *Public Participation Guidelines for Stakeholders in the Mining Industry*. First Edition. Chamber of Mines of South Africa: Marshalltown. (accessible at: <http://www.goodpracticemining.org/documents/ion/CMSA-PPGuide.pdf>)

ICMM (2005) *Community Development Toolkit* (accessible at: [http://www.icmm.com/library\\_pub\\_detail.php?rcd=183](http://www.icmm.com/library_pub_detail.php?rcd=183) )

Sigma Project (2003). *The Sigma Guidelines – Toolkit: Stakeholder engagement tool*. (accessible at: <http://www.projectsigma.com/Toolkit/StakeholderEngagement.asp>)

Stakeholder Research Associates Canada (2005). *From words to action: the stakeholder engagement manual. Volume 1: The Guide to Practitioners' Perspectives on Stakeholder Engagement* (accessible at: <http://www.stakeholderresearch.com/publications.htm> )

Standards Australia (2004) *Australian/New Zealand Risk Management Standard: AS/NZS 4360:2004* (accessible at: <http://www.standards.org.au/>)

Whiteman, G. & Mamen, K. (2002). *Meaningful consultation and participation in the mining sector? A review of consultation and participation of Indigenous Peoples within the international mining sector*. The North-South Institute (accessible at: <http://www.nsi-ins.ca/>).

Zandvliet, L. (2004). *Redefining corporate social risk mitigation strategies*. The World Bank: Social Development Notes – Conflict Prevention & Reconstruction no. 16. February 2004 (accessible at: <http://rru.worldbank.org/PapersLinks/ReadingList.aspx?topicid=80#id6436>).