Community Perceptions Study
For
BHP Billiton Cannington Mine

Report prepared by:
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EXECUTIVE SUMMARY

This report details the findings of a community and stakeholder perception survey conducted by CSRM on behalf of the BHP Billiton Cannington Mine. Cannington is an integrated underground mining and metallurgical processing facility located approximately 250 kilometres south-east of Mt Isa in Queensland.

Now moving into its second decade of production, the Cannington mine is one of the world’s largest producers of silver, lead and zinc concentrate. In addition to the mine and metallurgical facilities, the Operation also has a rail-loading facility located at Yurbi, 15 kilometres south east of Cloncurry and a ship-loading facility in Townsville. Cannington’s workforce is fly-in-fly-out out of Mt Isa or Townsville.

In August 2007, Cannington commissioned CSRM to conduct a survey of local stakeholders. The survey took two forms: a quantitative survey delivered via the Australia Post network to 152 stakeholders identified by Cannington; and a series of face-to-face interviews with local landholders, community leaders and service providers. The sample for both components of the study was drawn from Cannington’s existing stakeholder database and focused on ascertaining the views and perceptions of Cannington’s closest regional neighbours. Hence, with the exception of a small number of key participants, the sample was localised and did not extend to Cannington’s broader stakeholder communities of Townsville or Mt Isa.

Objectives of the study were to:

- obtain in-depth insight into Cannington’s reputation in the local community amongst key stakeholder groups;
- ascertain awareness and preliminary response to the potential expansion of the operation to an open cut mine with an extended mine life;
- ascertain knowledge and understanding of the newly established Cannington Community Fund (CCF), and
- determine levels of satisfaction with current communication tools and methods.

To ensure clarity in reporting, the two components of the study (survey and interviews) are discussed separately in this report.

Key Findings: Quantitative Survey

Sample

- The survey comprised a sample of 152 regional stakeholders located in the Shire of Cloncurry, Shire of McKinlay, Mt Isa and Townsville and comprised a mix of local landholders and residents, service providers, and representatives of government and other agencies. Forty-four completed surveys were returned, representing a 29 percent response rate.

- The gender composition of respondents were males (39%) and females (61%). The age group with the largest representation was 50-59 (33%).

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1 BHP Billiton Cannington Mine 2006 Health, Safety, Environment and Community Report
Over 50 percent of respondents were from the Shire of McKinlay, and 59 percent have had a relationship with Cannington of over six years.

**Communication Methods and Tools**

- Eighty-six percent of respondents receive the CANdid Talk newsletter. Of these, 41 percent stated they read the newsletter closely, with 54 percent skim reading it. The majority of respondents found it easy to read and informative.

- Only 32 percent of respondents have accessed the Cannington website at some point. Of these, half stated they visit the site occasionally and half stated they rarely visit the site. No respondents visit the website regularly. Nevertheless, the majority of those who have accessed the website at some point stated they found it to be informative.

- The most common source of media information about Cannington was the local newspaper (92%), followed by radio (51%) and television (46%).

- Responses indicate that newspapers are the most effective communication medium, with over 80 percent of respondents rating this as the most important method of gathering information about Cannington.

**The Cannington Community Fund (CCF)**

- Community Events attracted the highest recognition of current sponsorship and was the highest priority for future sponsorship, indicating alignment between current CCF investment and respondent views on community funding.

- Overall the CCF was very positively regarded with over 90 percent of respondents agreeing that the CCF benefits the community, and 86 percent agreeing that the Fund is an effective use of Cannington’s resources.

- Only 30 percent of survey respondents had experience of applying for CCF sponsorship. These respondents reported their experience of the CCF application process to be positive.

**Cannington’s Reputation in the Community**

- The Operation’s community contribution was highly regarded.

- Sixty-five percent of respondents felt that Cannington is meeting its environmental commitments.

- Forty-three percent of respondents agreed they feel adequately informed about Cannington’s operations.
Key Findings: Qualitative Interviews

Sample

- The qualitative survey comprised 13 face-to-face interviews with 22 participants. Participants comprised a mix of local landholders and Aboriginal representatives, near neighbours, community leaders and service representatives (including local government).

Stakeholder relationships and Cannington’s regional reputation

- Perceptions of Cannington tended to be influenced by the stakeholder’s geographic proximity to the Operation. Those located closest to the mine tended to view the Operation as generally responsive, open to dialogue and engagement, and supportive of the local community.

- Further afield, perceptions were less positive with some participants characterising the relationship as somewhat inconsistent, leading to comments of lack of transparency and openness.

- Some interviewees observed that, in their opinion, Cannington is less active in the community now than it was in the early years of the Operation.

Communications

- Those interview participants who receive the CANdid Talk newsletter held mixed views of the publication. Most believe it does not meet the specific information needs of the broader community. Access to one-on-one dialogue with key Cannington management and staff was noted for its importance in promoting positive relations by almost all stakeholders interviewed.

Community Support

- Many sponsorship activities had a high recognition factor and were regarded positively by the participants. However, the majority of participants felt that Cannington could be doing more for the local community in respect to long term regional development.

- Five of the thirteen people interviewed did not know about the existence of the Cannington Community Fund. Some participants saw considerable potential for the Fund in supporting more regionally based development projects.

- Fly-in-fly-out was seen as reducing the potential benefits and development opportunities that the local community could gain from Cannington and that financial and business resources were by-passing the local community.

Potential Mine Expansion

- Most stakeholders were aware that Cannington was considering open-cut, with most having heard of the possibility through word-of-mouth communication with other community members.
• Although most stakeholders appeared supportive of the open-cut proposition, there were a range of questions raised and comments made in respect to the potential impacts of an expansion. The main theme areas that attracted comment were: Water supply, Transport corridors and road closures, Environment, Impact on housing and property values, Mining legacy and the long term future for the region.

• Some stakeholders characterised the proposed open-cut expansion as an opportunity for Cannington to re-establish its regional profile through a targeted community engagement and communication program.

Feedback from Indigenous stakeholders

• Cultural Heritage Assessments, Cultural Heritage Training, and Indigenous Employment Programs were highlighted by Indigenous stakeholders as areas for potential future development that could significantly advance the quality of Cannington’s Indigenous engagement.

Comparison with Globescan Survey of Communities, 2005

There are some significant methodological and sampling differences between the Globescan Survey (2005) and the current study which make direct comparison potentially erroneous. Nevertheless, some observations are made as follows:

• Both surveys indicate that Cannington is viewed positively by the community. However the current stakeholder interviews qualify the positive responses in some areas such as perceptions of the Operation’s contribution to the local economy and the effect Cannington has on local social and cultural life.
• The current study suggests that the trust relationship between Cannington and the community has declined since the 2005 study.
• Both studies suggest that local newspapers provide one of the more effective communication mechanisms for Cannington.

Suggestions for improved community relations

The results of this survey indicate five areas of community relations that may have scope for further development and potential for targeted outcomes. Suggestions for consideration include:

• review the content and scope of distribution of the CANdid Talk newsletter;
• broaden community engagement mechanisms and provision of opportunities for face-to-face dialogue between Cannington management and community;
• further dissemination and promotion of the CCF strategic function and associated management process;
• review and promotion of direct and indirect benefits to the community; and
• promotion of local employment opportunities.
1 Introduction

This report details the findings of a community and stakeholder perception survey conducted by CSRM on behalf of the BHP Billiton Cannington Mine (“Cannington”). Cannington is an integrated underground mining and metallurgical processing facility located approximately 250 kilometres south-east of Mt Isa in Queensland.

Now moving into its second decade of production, the Cannington mine is one of the world’s largest producers of silver, lead and zinc concentrate. In addition to the mine and metallurgical facilities, the Operation also has a rail-loading facility located at Yurbi, 15 kilometres south east of Cloncurry and a ship-loading facility in Townsville. Cannington’s workforce is fly-in-fly-out out of Mt Isa or Townsville.

The Cannington mine has a current mine life of approximately ten years. However Cannington is exploring the option of expanding the mine to an open cut operation which, if it proceeds, will see the life-of-mine extended by an additional ten to twenty years.

This report is set out in four sections:

1. a brief background to the survey;
2. the quantitative survey results, reported against key themes identified during the survey development process;
3. the results from the qualitative interviews conducted with key stakeholders organised around key emergent themes; and
4. appendices comprising the survey instruments and details of response frequencies for the quantitative survey.

1.1 The Community Perceptions Study

Cannington has a history of active engagement with external stakeholders and independent third-party evaluation of community perceptions of the operation, with the last external study being conducted in 2005 by Globescan Incorporated. In August 2007 Cannington commissioned CSRM to conduct a Community Perceptions Study to “check in” with the local community and ascertain current stakeholder views of the Operation’s community relations performance.

The survey took two forms: a quantitative survey distributed widely amongst Cannington’s regional stakeholders, and a series of face-to-face interviews with key local stakeholders. Objectives of the study were to:

- obtain in-depth insight into Cannington’s reputation in the local community amongst key stakeholder groups;
- ascertain awareness and preliminary response to the potential expansion of the operation to an open cut mine with an extended mine life;
- ascertain knowledge and understanding of the newly established Cannington Community Fund (CCF), and
- determine levels of satisfaction with current communication tools and methods.

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2 BHP Billiton Cannington Mine 2006 Health, Safety, Environment and Community Report
The survey instruments (quantitative survey and qualitative interview guide) were designed by CSRM staff in consultation with key Cannington staff. Participating stakeholders were drawn from Cannington’s stakeholder contact database. Participation in the study was voluntary and the study was conducted in accordance with the research and ethical guidelines of The University of Queensland.

1.2 Scope of the Study

The Community Perceptions survey was targeted at ascertaining the views and perceptions of Cannington’s closest regional neighbours, particularly in respect to locally focused communication and community support systems. Hence, with the exception of a small number of key participants, the sample was localised and did not extend to Cannington’s broader stakeholder communities of Townsville or Mt Isa. The sample for both the quantitative survey (sample: 152) and the qualitative interviews (sample: 22) was drawn from Cannington’s existing stakeholder database.

The Sample – Quantitative Survey

- The survey sample was drawn from Cannington’s stakeholder database and comprised a mix of residents and landholders from the Shire of McKinlay and the Shire of Cloncurry, the communities of Mt Isa and Townsville, and a small number of supplementary stakeholders drawn from the broader regional or operational contexts.

- The survey was distributed in paper format via the Australia Post network and was co-ordinated by the Cannington operation. All completed surveys were returned to the UQ-CSRM via reply paid envelope for data entry, and analysis was conducted utilising SPSS software.

- In total 152 surveys were distributed with 44 completed returns, representing a return rate of 29 percent. Due to the relatively small sample of survey respondents, no tests for statistical significance could be undertaken so results are reported as baseline frequencies only. Further, those who did respond may not be representative of either the sample population or the total population, hence results are indicative only.

The Sample – Qualitative Interviews

- Thirteen face-to-face stakeholder interviews with 22 participants were conducted in the period 3rd to 7th December 2007. These interviews were conducted to enable in-depth enquiry into the theme areas of this survey, and to obtain detailed feedback from the identified key stakeholders.

- Stakeholder interviews comprised a mix of local landholders and Aboriginal representatives, near neighbours, community leaders and service representatives (including local government). Interview participants were nominated by Cannington and invited to participate by CSRM. All proposed stakeholders agreed to participate, however two subsequently proved unavailable.
Participating stakeholders were chosen on the basis of their proximity or existing relationship with Cannington, or their representative role as opinion leaders or service providers to the regional communities of the Shire of McKinlay or the Shire of Cloncurry.

Figure 1: Stakeholder interview map
2 Results – Quantitative Survey

2.1 Demographic Characteristics

General Sample Characteristics

The sample comprised 61 percent female and 39 percent male. Based on the background population for the Shires of McKinlay and Cloncurry, the gender composition of the survey has an over-representation of females³.

Two percent of respondents were Aboriginal or Torres Strait Islander status.

Age

Figure 1 shows the distribution of respondents by age range. The age group with the largest representation (33%) were those in the 50-59 year old bracket, closely followed by the 60+ year olds (28%) and the 40-49 year olds (23%).

Figure 2: Age structure of survey respondents

Type and Duration of Relationship with Cannington

Figure 2 shows the respondents’ relationship with Cannington. Almost three-quarters of respondents (72%) stated they have direct association or contact with Cannington. Of these, 53 percent are residents of the McKinlay Shire and 11 percent residents of Cloncurry Shire. At 29 percent, the category “Other” constitutes the second largest respondent group and refers to a range of relationships such as family members of Cannington employees, government or industry regulators, or community service providers.

³ At the 2006 census and based on usual place of residence, the Shire of McKinlay had a population of 899 comprising 44% (n:396) female and 56% (n:503) male, and the Shire of Cloncurry had a population of 3,139 comprising 46% (n:1,438) female and 54% (n:1701) male (ABS, 2007).
Figure 3: Relationship with Cannington

![Bar chart showing the percentage of respondents with relationships of varying lengths from McKinlay Shire resident to Townsville region resident.]

Figure 3 shows the duration of respondents’ relationship with Cannington. Almost 60 percent of respondents have a relationship with Cannington of six years or longer.

Figure 4: Length of relationship with Cannington

![Bar chart showing the percentage of respondents with relationships of varying lengths from 2 years or less to More than 10 years.]

Almost 60 percent of respondents have a relationship with Cannington of six years or longer.
2.2 Communication Methods and Tools

The CANdid Talk Newsletter

The CANdid Talk newsletter was widely received by survey respondents, with 86 percent stating they receive the newsletter and almost two-thirds (61%) stating they pick-up and look at CANdid Talk regularly. Only three percent of respondents stated they never look at the newsletter. Nevertheless, slightly more than half of respondents (54%) stated that they skim read the newsletter, with 41 percent stating they read it closely and five percent stating they “flick through the pages”.

Figure 4 shows respondents’ level of agreement with a series of statements in respect to the informativeness, degree of interest, and accessibility of CANdid Talk. Overall responses were extremely positive, with the large majority of respondents agreeing that CANdid Talk is easy to read (89%) and informative (85%). This indicates that the newsletter is well received by the community and is generally an effective communication tool for Cannington. The area attracting the lowest level of agreement was in respect to the extent to which respondents’ found the newsletter interesting, however even this area attracted 78 percent agreement.

Figure 5: Respondent assessment of CANdid Talk newsletter

![Bar Chart]

The survey invited respondents to provide additional qualitative feedback. Only a handful of comments were made which indicated a more mixed response.

**CANdid Talk is a bit of a 'gross-over'. Its future would depend on how Cannington sees it as a reporting medium, e.g. the expansion and the 'goings on' at the mine. It doesn’t portray any pride or sense of achievement, which it should.**

**The newsletter covers a broad topic range, has a good quality feel to it and it features staff and community involvement.**
The Cannington Website

Slightly less than one-third of respondents (32%) have accessed the Cannington website at some point. Of these, half stated they visit the site occasionally and half stated they rarely visit the site. No respondents visit the website regularly.

Figure 5 shows the range of information that respondents are seeking when they access the Cannington website, with Company Information being the most frequently cited reason for visiting the website.

Figure 6 shows respondents’ level of agreement with a series of statements about the Cannington website. Generally speaking, responses were positive with well-over half of respondents agreeing that the website is user-friendly, informative, and interesting. However, a reasonably high number of respondents were neutral in their opinion on the website’s informativeness (36%) and degree of interest (43%), with eight percent indicating the site is not easy to navigate.

There were no substantive qualitative responses in respect to the website.

Figure 6: Respondents’ main purpose for visiting the Cannington website
Cannington in the Media

Eighty-four percent of respondents indicated they were aware of Cannington’s presence in the media. Of these, the overwhelmingly most common site of media awareness was the local newspaper (92%). This was followed by radio (51%), television (46%), and national newspapers (32%). This result may indicate either that the local newspaper has significantly higher rates of reportage of Cannington activities than other media sources, or that the local newspaper is a widely accessed information source in the community.

Figure 8: Areas where respondents have seen or heard coverage of Cannington
2.3 The Cannington Community Fund (CCF)

In July 2006, Cannington launched the Cannington Community Fund, an endowment vehicle through which the Operation contributes to community projects and initiatives in northern Queensland. The CCF has the strategic objective of promoting sustainable benefits to the community through the priority areas of health, education/training, environment/safety, and the arts.

One of the core objectives of this survey was to ascertain community perceptions and understandings of the CCF, its current and potential sponsorship programs, and its associated application processes.

Community Funding Areas

Figure 8 shows respondent views and understanding of current and potential CCF investments. At 76 and 82 percent respectively, Community Events attracted the highest recognition of current sponsorship and was the highest priority for future sponsorship, indicating alignment between current CCF investment and respondent views on community funding. The Arts reflected a similar alignment between current and potential sponsorship areas.

The areas that had the largest differential between awareness of current sponsorship and views on future sponsorship were Environment, Education/Training, Health, and Safety. At 71 percent, 61 percent, and 66 percent respectively, Environment, Education/Training, and Health attracted particularly high response rates in respect to future sponsorship, indicating the high priority placed on these areas by respondents.

These results were reflected in the survey’s qualitative responses in which each of these areas attracted specific commentary from respondents.

- Environment - to help protect the local environment from which mine is taking.
- Community events - to support the local community which serves the mining community.
- Health, education/training, environment, safety - essential responsibility, good stewardship of human and physical resources. Arts and community events - enabling community growth and quality of life.
- Bore capping program, environmental weed control, do more partnerships with natural resource management in region. Education and training focused on Indigenous youth.

A number of comments also called for a focus on long-term, community development objectives that build community capacity, improve overall quality-of-life, and enhance Cannington’s regional legacy.

- Assisting community based organisations with capacity building initiatives and programs.
- Communities / towns / townships will always struggle if poor leadership is all they have ever known. Coaching / skilling for locals is a good way to break the poor leadership /

poor succession planning cycle in so many rural (and regional) organisations / clubs / events. "Leave the seeds of good leadership behind when you go".

At the end - after mine closure there must be a positive legacy left in the region (of the mine). The CCF is one way to achieve this. Funding should target permanent lasting benefit to the region.

Figure 9: Community areas that respondents believe currently are, or should be, sponsored by the CCF

![Bar chart showing community areas sponsored or should be sponsored by CCF]

Evaluation of Community Benefit and CCF Management Processes

Figure 9 and Figure 10 show respondents’ general opinions of the CCF in terms of community benefit, use of Cannington funds, and efficiency of application processes. Overall the CCF was very positively regarded with over 90 percent of respondents agreeing that the CCF benefits the community, and 86 percent agreeing that the Fund is an effective use of Cannington’s resources (Figure 9).

Only 30 percent of survey respondents had experience of applying for CCF sponsorship, however all of these applications had been successful. Amongst these respondents, their experience of the CCF application process was overwhelmingly positive with 100 percent agreeing that the application process was easy. Opinions on the efficiency of the CCF decision-making process were not quite so strongly positive, nevertheless over two-thirds of respondents (70%) agreed that the decision making process was efficient.

The survey’s qualitative questions attracted a small number of responses that were critical of the CCF structure and process, and questioned the regional allocation of resources. 

*CCF is all about PR, name promotion, saving the world, feeling warm and cuddly and possessing a warm inner glow. It’s got nothing to do with the efficient allocation of resources, which I’ll bet has never been gauged.*
As the mine is actually in the McKinlay Shire more resources should be allocated to this Shire not Cloncurry and Mt Isa.

I think a lot of people in the McKinlay Shire do not realise they can send in an application.

I don’t think there is a wide enough input on the CCF committee from the local community. The local representatives are from neighbouring properties and I feel representatives should be drawn from a wider area of the local community.

Figure 10: Respondents' opinions of the CCF
2.4 General communication mechanisms and effectiveness

Figure 11 and Figure 12 show respondents’ evaluation of general communication mechanisms for both themselves and the broader community. The responses for the two groups were closely aligned so results for both Figures will be discussed together.

Responses indicate that newspapers are the most effective communication medium with over 80 percent of respondents rating this as the most important method of gathering information about Cannington. Following this there was a cluster of communication mechanisms which attracted approximately equal positive evaluations of around sixty-two to 67 percentage points each. This cluster comprised CANdid Talk, Meetings with Company Personnel, the Cannington Community Engagement Group, and Direct Contact with Cannington Employees. Importantly, beside CANdid Talk (which has been discussed above), each of these mid-tier communication methods share the characteristic of direct contact in one form or another with Cannington employees and/or management.

*The grapevine is the most important area for correct or incorrect and positive or negative news.*

The Cannington Website and Mine Tours were evaluated by respondents as the least important communication mechanisms, although even these attracted reasonably healthy approval ratings.
Figure 12: Important communication tools for respondents

- **Articles in newspapers (n=43)**
  - Very important: 9%
  - Important: 72%
  - Neutral: 12%
  - Relatively unimportant: 5%
- **CANdid Talk (n=44)**
  - Very important: 7%
  - Important: 61%
  - Neutral: 27%
  - Relatively unimportant: 5%
- **Meetings with company personnel (n=41)**
  - Very important: 22%
  - Important: 41%
  - Neutral: 29%
  - Relatively unimportant: 5%
- **Cannington Community Engagement Group (n=38)**
  - Very important: 16%
  - Important: 47%
  - Neutral: 21%
  - Relatively unimportant: 5%
  - Not important at all: 11%
- **Direct contact with Cannington employee/s (n=42)**
  - Very important: 19%
  - Important: 43%
  - Neutral: 29%
  - Relatively unimportant: 3%
  - Not important at all: 7%
- **Cannington website (n=39)**
  - Very important: 8%
  - Important: 46%
  - Neutral: 28%
  - Relatively unimportant: 10%
  - Not important at all: 8%
- **Mine tours (n=43)**
  - Very important: 16%
  - Important: 37%
  - Neutral: 33%
  - Relatively unimportant: 3%
  - Not important at all: 12%

Figure 13: Communication tools that respondents think are important to external parties in general

- **Articles in newspapers (n=42)**
  - Very important: 21%
  - Important: 62%
  - Neutral: 14%
  - Relatively unimportant: 2%
- **CANdid Talk (n=42)**
  - Very important: 12%
  - Important: 50%
  - Neutral: 21%
  - Relatively unimportant: 12%
  - Not important at all: 5%
- **Meetings with company personnel (n=40)**
  - Very important: 15%
  - Important: 48%
  - Neutral: 28%
  - Relatively unimportant: 8%
  - Not important at all: 3%
- **Cannington Community Engagement Group (n=41)**
  - Very important: 17%
  - Important: 49%
  - Neutral: 24%
  - Relatively unimportant: 5%
  - Not important at all: 7%
- **Direct contact with Cannington employee/s (n=40)**
  - Very important: 18%
  - Important: 43%
  - Neutral: 33%
  - Relatively unimportant: 5%
  - Not important at all: 3%
- **Cannington website (n=40)**
  - Very important: 20%
  - Important: 58%
  - Neutral: 18%
  - Relatively unimportant: 2%
- **Mine tours (n=42)**
  - Very important: 14%
  - Important: 45%
  - Neutral: 31%
  - Relatively unimportant: 9%
  - Not important at all: 5%
2.5 Cannington’s Reputation in the Community

Figure 13 shows respondents’ evaluation of a range of statements about Cannington’s regional engagement and reputation. As reflected in other parts of this survey, Cannington is generally well regarded by the community and attracted a positive response across the range of engagement areas. At 84 percent, the Operation’s community contribution is particularly highly regarded.

The other aspects of Cannington’s engagement and reputation illustrated in Figure 13 indicate a slightly less favourable response, although overall still positive. Over two-thirds of respondents agreed that they were satisfied with Cannington’s level of community support, and 65 percent that Cannington is meeting its environmental commitments. At 67 percent, respondents’ believe residents should have more say about issues affecting the community.

The only area that attracted less than 50 percent agreement from respondents was in respect to information availability and the extent to which respondents feel they are kept adequately informed about Cannington’s operations. This may reflect the adequacy of newspapers as the most frequently cited source of information about Cannington (see Figure 11 above), and highlights the potential for more targeted and direct communication avenues in the future.

Figure 14: Respondents’ opinions about BHP and the community

Qualitative feedback was also sought in respect to Cannington’s reputation in the community. Several of these comments were very positive, with respondent statements such as “Keep up the good work!” and “Cannington is doing a great job in keeping the community informed”. Other responses indicated some sensitivity or discord with the community and indicate areas for potential community relations and reputation enhancement.

*It is difficult to get feedback but important to try in many ways. Townsville seems to have the double benefit: wages of employees and community fund.*
Be a leading example of corporate social and environmental responsibility. I think Cannington perceives its community as its staff/employees and where they live. More effort should be focused on the region of the mine - especially helping the traditional owners.

Cannington is probably doing all the right things. However, it is a low profile mine and needs to have representation on regional development organisations.

Suggest some awareness of the culture of the surrounding community would be of benefit. For example, service providers and others associated with Cannington (using the road from McKinlay to Cannington), fail to slow down when passing cattle being moved.
3 Results – Stakeholder Interviews

The discussion of the interview feedback has been structured under the following main headings:

- Stakeholder relationships and Cannington’s regional reputation
- Communications and stakeholder engagement
- Community support
- Cannington’s Community Fund (CCF)
- Potential mine expansion
- Feedback from Indigenous stakeholders.

3.1 Stakeholder relationships and Cannington’s regional reputation

Perhaps unsurprisingly, perceptions of the Cannington mine and opinions of its reputation varied across the stakeholders interviewed and tended to be influenced by the stakeholder’s geographic proximity to the Operation. Those located closest to the mine tended to hold more positive views than those further afield. These perceptions may reflect the significant engagement effort that has been made with near neighbours.

Near neighbours and those who have a formal connection to the Operation through either employment (current or past) or membership of the Cannington Community Engagement group, tended to hold positive opinions of Cannington, seeing the Operation as generally responsive, open to dialogue and engagement, and supportive of the local community. For example, a small number of participants cited instances of Cannington rendering emergency medical assistance to local community members, and the Environment and Exploration teams were noted for their courteous engagement when dealing with local landholders.

The medical facilities have been used on more than one occasion.

Whenever X needs a hand, such as electrical breakdowns, the mine is always there to chip in and help.

Exploration are always contacting us to tell us where they are working.

… it is very nice to have them (Cannington Mine) there.

Further afield, the perceptions of the Operation as a proactive member of the community were less positive with some participants, including government representatives, characterising the relationship as somewhat inconsistent. While most participants spoke positively of the community engagement activities undertaken in recent months by Cannington’s Community Relations Advisor and General Manager, there was nevertheless a perception expressed by some that the Operation lacks transparency and openness in their community engagement compared with some of the other mines operating in the region. One participant suggested that staff turnover at Cannington has led to confusion and inconsistency of community engagement strategy.

Currently, I have no sense that I have anything to do with BHPB. Should be doing more in the Cloncurry area.
They’re only showing what they want to show.

There’s no relationship really…. [The] key issue is to do with openness.

Some interviewees observed that Cannington’s community engagement practices had in their view changed and fluctuated in the years since the Operation was established. One participant, for example, spoke of a perceived evolution in Cannington’s community engagement, a process that, he suggested, had resulted at times in inconsistent practice. To illustrate, this stakeholder sketched a graph to highlight his perceptions of the peaks and troughs in the history of Cannington’s regional engagement, with the current period showing an upward trajectory. Another interviewee held the view that Cannington’s level of community engagement had been in decline since the Operation’s initial start-up, while another cited a perceived decline in support of local business as indicative of a disconnect between Cannington and the local community. In contrast to these views, another interviewee stated “2005 was the first time ever seen anyone from the mine”.

When they first set up they were more interested in what the public perception was.

[In the] early days Cannington supported local business. Not any more, doesn’t feel like Cannington is part of the community.

3.2 Communications and stakeholder engagement

CANdid Talk Newsletter

Of the thirteen interview participants, eight stated that they receive the CANdid Talk newsletter. The recipients of CANdid Talk held mixed views about the publication as a communication tool. While most found it reasonably interesting and informative on the activities at Cannington, almost all recipients felt that the newsletter did not meet the specific information needs of the broader community. Participants cited a handful of specific but interrelated information areas that they believed were important to the community. These areas were; Cannington’s mine planning; the CCF award recipients and projects outcomes; and Cannington’s contribution to regional development and the mine’s legacy.

CanDID is good, but I don’t really want to know how they are looking after their employees.

Would look prettier if they could show some black kids on new playground or something the mine has done for them.

CanDID – got nothing in it.

We’re more interested in something for the community and learning about what they are leaving behind for the community.

The Newsletter is too Cannington focused to expect community to read it.

Other opportunities for engagement

Access to one-on-one dialogue with key Cannington management and staff was noted for its importance in promoting positive relations by almost all stakeholders interviewed. In general, the majority of people were looking for more communication from BHPB,
particularly from the senior management team. As noted above, while there were favourable comments about interactions with Exploration, Environmental, and Community Relations representatives, people were interested in hearing more from site managers. Even some of those in close proximity to the Operation, who tend to have the highest level of face-to-face contact with Cannington staff, suggested that more could be done in this area. One of the government representatives stated that she had never met the Operation’s senior management and noted that of the five or six major mines in her electorate, Cannington is the only operation from which she has not received a briefing on future planning.

Need one-on-one, can’t ask a piece of paper, they have to spend time with people.

[We] don’t hear enough from the bosses of the mine.

Still hasn’t dawned on anyone to give the courtesy of a visit to the local member.

[It’s a] bit weird, don’t hear anything about Cannington’s activities. [It would be] nice to know what they are doing. BHP who? – silent, not on the radar.

[We’re] given information only when we have to be.

Only see them when there’s an incident.

Similarly, some participants spoke of the communications and engagement practices of other mining operations in the region and noted that Cannington is at somewhat of a disadvantage because its workforce is not based locally. One participant characterised this relationship in terms of “a gap” between the local community and the mine workers and suggested that opportunities for broader, informal engagement between a cross-section of Cannington staff and the local community was needed. Potential pathways suggested to achieve this included reintroduction of site tours for locals, joint mine/community social activities, and promoting local employment at the mine.

3.3 Community Support

Generalised community benefits

Interviewees appeared somewhat ambivalent in their attitudes to the benefits that had flowed to the community through the establishment of Cannington mine. On the one hand, many sponsorship activities had a high recognition factor and were regarded positively by the participants. In particular, the McKinlay Race meeting, the emergency airstrip, Bush Nursing Centre, and the ‘Desert and Dust’ triathlon at Julia Creek were mentioned.

Sponsorship is good; support for McKinlay races is great…

A variety of other sponsorship activities were also mentioned, such as support for children’s sporting teams, the provision of playgrounds, a proposed indoor/outdoor facility at Julia Creek and funding for the oncology unit in Townsville Hospital. However, the majority of participants felt that Cannington could be doing more for the local community. Several participants suggested that the company’s investment in the local community was poor, given the amount of money it was perceived to be making out of the mine.

For the money they’re making, [I] can’t see what they are doing for the community
There was also evidence of some rivalry between different communities, with suggestions that some districts were receiving more benefits than others.

...don't put in to the Cloncurry area.

Haven't seen anything they've done for Mt Isa, Cloncurry or McKinlay, maybe they have, but I'm not aware of it.

The Shire of McKinlay has benefited.

Most spinoff goes to Townsville.

The main criticism revolved around the nature of the support provided by Cannington. One participant described it as “a lot of ad hoc projects” and suggested that it would be better if Cannington would provide support to develop much larger projects with potentially a more strategic, regional development focus. Several people mentioned infrastructure projects and the provision of education and training opportunities for local people as initiatives they would like Cannington to support. Others were keen to see more support for the Indigenous community. Overall, there was a general desire to see BHPB “leave something permanent behind”.

In spite of these criticisms, most people saw no major drawbacks to the presence of the mine. A few people expressed concerns about environmental impacts, mainly in relation to water. Since the mine accesses its water from the Great Artesian Basin, some participants wanted to know about long term impacts. Other environmental issues mentioned were perceived threats to the habitat of a rare wallaby species, the need to clear prickly Acacia weed and some concern about the condition of closure areas.

...must do it better, do it a lot better.

One participant expressed the view that vehicle wash-down practices at the Yurbi rail loading facilities had the potential to cross-contaminate the water supply, with potential implications for neighbouring cattle farmers.

The chief draw back, raised by about half of the people interviewed, is Cannington’s status as a fly-in-fly-out operation. Several participants felt that this resulted in a reduction in potential benefits and development opportunities that the local community could gain from the mine and that financial and business resources were by-passing the local community. They had a low opinion of fly-in-fly-out operations generally. The main criticism was that they felt local businesses were being overlooked as potential suppliers of goods and services to the mine.

Businesses feel a bit left out...

They source their catering from outside...they aren’t really doing much for the economy of the community

They currently bring in a lot of stuff from further afield.

3.4 Cannington’s Community Fund (CCF)

Participants were also asked if they knew about the CCF and if they had applied for funding. In five of the thirteen interviews, participants did not know about the existence of the Fund and only one had made an application for funding. Of those participants who
were aware of the Fund’s existence most were unsure how it operated. One participant suggested that the criteria for selection and the purpose of the Fund were not clear and that a more structured application process would help.

[The Fund provided] funding to the church but not the McKinlay Community Hall, [I] don’t really understand the criteria used…

Other people were critical of the composition of the Fund board. There were suggestions that it favoured the interests of a few people and that its capacities were limited.

It’s all to do with one lot of properties around the Cannington mine…not an open turnout.

I’m wondering how serious Cannington really are in choosing a proper cross-section of the community on the board.

…too many old people.

Other participants saw considerable potential for the Fund in supporting more regionally based projects, such as a tourist facility. However, as things stood, such a venture was seen as beyond the capacity of the Fund. It was also suggested that the money allocated to the Fund should be increased.

It’s just crumbs, really.

All of the interview participants were able to identify benefits that had flowed to local communities as a result of the presence of Cannington mine. However, their level of enthusiasm for these benefits was relatively low. In part, this disappointment seems to stem from unmet expectations. The difficulty for BHPB is that residents are well aware of the activities of other mining companies in the vicinity and tended to compare the benefits flowing from Cannington unfavourably with what was being done by other companies, some of whom have residential workforces and, hence, higher regional profiles.

[Cannington put] $20,000 into the Cloncurry racecourse, $10,000 into the children’s playground…Compare that with the $70,000 Osborne put into Cloncurry Council.

Ernest Henry established community partnerships, airstrips and houses in Cloncurry.

Several participants wanted to see more employment opportunities for local people, particularly apprenticeships for regional youth. This was framed in terms of stemming the outflow of youth to larger employment and training centres. For one of the Aboriginal participants, local employment opportunities were also seen as an avenue of maintaining ongoing connections to the land, thereby supporting Aboriginal cultural heritage.

### 3.5 Potential Mine Expansion

One of the objectives of the stakeholder interviews was to ascertain community views on the future of Cannington. Initially this was to focus on mine closure, however Cannington is in the preliminary stages of exploring an option to expand the mine to open-cut, thereby extending the mine life considerably. Although this option is in the very early exploratory stage, some limited communication has already taken place between Cannington and those stakeholders who will potentially be most affected by such an expansion, primarily the Operation’s fence line neighbours. The stakeholder interviews conducted for this survey provided an opportunity for Cannington to gain some broader insight into the community’s
initial response to the open-cut option and where their concerns, if any, might lie. Stakeholders were informed that, if Cannington proceeds to pre-feasibility planning for an open-cut mine extension, Environmental and Social Impact Assessments will be undertaken which will provide stakeholders with detailed project briefings and formal opportunities for public comment.

Most stakeholders interviewed were already aware that Cannington was considering open-cut, with most having heard of the possibility through word-of-mouth communication with other community members. While a small number of stakeholders expressed no concern or were ambivalent in respect to the open-cut extension, most had questions and expressed a desire to receive further information from Cannington on the Operation’s future planning. Some expressed dissatisfaction that they had heard of the potential open-cut plan through informal channels – “the grapevine” – and emphasised the importance of timely communication from Cannington in order to dispel rumours. For example, one stakeholder spoke of rumours that the expansion plans would result in the demolition of nearby houses.

"Might be that this isn’t true, but they [the locals] don’t have anything [information] to replace it [the gossip] with …. Community getting not even secondary information, it is third or fourth hand…. Myths are running faster than facts.

[We’re] hearing through the grapevine – not satisfied with the way [we’re] getting information on open-cut and not enough information, even if it is early days and no decision yet.

More information – as early as possible.

[Need to know] if this went ahead, then this is what it would look like.

There were a range of questions, concerns, and comments discussed by stakeholders in respect to the potential open-cut expansion. These were as follows.

**Questions, concerns, and comments**

- **Water Supply**
  - Will nearby pastoralists’ access to water supply be impacted or restricted? Will the Hamilton River be diverted? How will the tailings dams be managed?
  - What are the cumulative impacts of mining on the region’s water supply? One stakeholder indicated he would “campaign” against Cannington if Cannington’s expansion had a similar drawdown impact on water as reportedly resulted from Xstrata’s Ernest Henry operation.

- **Transport corridors and road closures**
  - What will be the impact of road closures or relocations (specifically Toolebuc Road), particularly in respect to road access for local property owners?
  - There is an expectation amongst some stakeholders of increased usage of transport corridors associated with increased production.
• **Environment**
  
  o One stakeholder stated that feedback on monitoring around the loading facility will be required.

  o Near neighbours expressed an anticipated increase in noise and dust. One neighbour queried the impact of increased dust falling on the grass and how this might affect their planned certification as organic farmers. This stakeholder stated that a dust impact survey is required and that this should be addressed in the near-term.

• **Impact on housing and property values**
  
  o Will the location of the open-cut affect the value of neighbouring properties? One near neighbour stated they “don’t want to be backed into a corner”. Another spoke of wanting “compensation” if they were required to relocate.

    *We should be compensated for the effort we put in here, and that we have to uproot our lives*

• **Mining legacy and the long term future for the region**
  
  o One stakeholder expressed a desire to “have a say on the decision” and spoke of a perceived loss of political voice amongst pastoralists.

    *[With mining] you will be better off economically but I have a son and what about future generations?*

**Opportunities**

In addition to the range of comments and questions raised by stakeholders, some also spoke optimistically about the opportunities that an expansion of Cannington could bring to the region. Some of these positive comments were of a non-specific nature and reflected a generally positive response to the proposition. However, a handful of comments characterised the expansion as an opportunity for Cannington to re-establish its regional profile through a targeted community engagement and communication program. For example, one stakeholder asked “How do they want to be remembered”, and suggested the proposed expansion could open the way for a dialogue on potential community partnerships. Another stakeholder characterised the proposed expansion as an opportunity to work on achieving a closer relationship with the local community and build capacity through employment and skills transfer in open-cut operations.

Similarly, the Indigenous stakeholders interviewed also suggested the proposed expansion could provide an avenue for dialogue with Cannington. For example, one group was initially somewhat disparaging of the potential benefits, however they went on to speak about the opportunities that could potentially flow through to Aboriginal people through employment, cross-cultural awareness, and revising and updating cultural heritage agreements. Likewise, another Aboriginal group saw the proposed expansion as an opportunity for Cannington to revise its engagement with regional Aboriginal groups.
Just holes getting bigger, making more money, bigger larger longer but remains the same for Indigenous people; still don’t get nothing in comparison, only crumbs…. Old agreements are no good… get [an] even flow, doesn’t have to be just money.

[Cannington] might have to do an agreement with us – that’s where [they] could bring the relationship up to date.

3.6 Feedback from Indigenous stakeholders

Much of the feedback from Indigenous participants has been aggregated and reported in the theme discussions above. There were, however, a number of notable issues that were raised that are specific to Indigenous stakeholder relations as follows:

- Cultural Heritage Assessments were raised as one area of potential sensitivity. While one group indicated satisfaction with Cannington’s engagement in respect to Cultural Heritage, another felt that more could be done in this area, particularly on boundaries where claims overlap. It is important to note that each group acknowledged the claims, rights, and interests of the other group in the Cannington area.

- Cultural heritage training was mentioned by both groups who suggested CH training could significantly advance Cannington’s Indigenous engagement and consultation practice.

- Indigenous employment programs targeting youth employment was also noted by both groups as an area where significant, long-lasting contribution and positive legacy could be made.

Should be doing Indigenous training…. Indigenous people in general…. Help for some young ones if they want to go to university…. Look at Indigenous employment ratios at Cannington – very, very minor, if there is any.

Trouble is fly-in-fly-out, nothing been done for local community. Want to see more Aboriginal people … working on the mine – a higher percentage of Aboriginal people from the whole region.

[We’re] not necessarily after a big cheque, we’d be after some structures and processes there for the young ones to carry on after us old people are dead.
Comparison with Globescan Survey of Communities, 2005

One of this project’s objectives was to compare the results of the current survey with those of the Globescan Independent Annual Survey of Communities conducted in 2005. The Globescan study comprised a telephone survey of 301 randomly selected adults in communities deemed affected by Cannington, including the coastal communities of Townsville and Thuringowa from which Cannington draws much of its fly-in-fly-out workforce. The survey explored respondent views on their region and community, and their awareness and perceptions of Cannington.

There are some significant differences between the two studies which make direct comparisons potentially erroneous. For example, the two studies adopted different methodologies and participant sampling profiles. Further, the specific questions and objectives of the two studies vary considerably. It is not possible, therefore, to make a direct and valid comparison of the current findings with those of the Globescan 2005 study.

Nevertheless, there are a handful of thematic areas which are addressed in both studies and some observations can be made as follows.

Globescan 2005: “two-thirds of residents believe that Cannington has an overall positive impact on their communities”

Figure 13 above deals with respondents’ views to questions relating to perceptions of Cannington’s impact on the community. Responses to the quantitative survey indicate similar findings to those of the Globescan 2005 study. However, the stakeholder interviews qualify the positive responses in some instances. While the participants in the current study did acknowledge significant regional benefits that flow to the region from the Cannington mine, many held mixed views about the benefits and feel that more could be done to assist with regional planning and sustainable development.

Globescan 2005: “three-quarters of residents believe that Cannington has an overall positive impact on the local economy”

The quantitative survey for this study did not address this theme area. Stakeholder interviews, however, did indicate that some participants were of the view that more could be done to support local business development.

Globescan 2005: “Up from the previous two years, more than half of residents agree that Cannington has a very positive effect on local social and cultural life”

The quantitative survey for this study did not address this theme area. Stakeholder interviews suggest that many participants feel Cannington is socially disengaged from most aspects of local community life. This was, for the most part, attributed to the fly-in-fly-out workforce.

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5 The Globescan sample comprised 1,168 contacts which resulted in 301 effective interviews. This reflects a 26 percent completion rate (source: Globescan Incorporated, 2005. Independent Annual Survey of Communities: Cannington, Australia).
Globescan 2005: “Residents trust Cannington more than in 2004 and more than most other organizations, especially other companies”

Qualitative feedback suggests that the trust relationship between Cannington and the community has declined since 2005. Most stakeholders interviewed indicated a desire for greater transparency and open dialogue with Cannington, particularly management. This was in part fuelled by the way in which some participants became aware of the proposed open-cut expansion.

Globescan 2005: “Half of residents think that the best way for Cannington to communicate with local people is through articles in local newspapers”

Figure 11 and Figure 12 above show that the most effective communication vehicle for Cannington continues to be articles in the newspapers. However, there was also strong support from participants for the CANdid Talk newsletter and direct dialogue with Cannington personnel.
5 Suggestions for improved community relations

One of the undertakings of this survey was to identify ways in which Cannington could improve its Community Relations.

Overall, the study shows that Cannington is well regarded by its stakeholders. Nevertheless, there were a handful of areas identified by participants that indicated scope for development and potential for more targeted outcomes. These were as follows:

- review the content and scope of distribution of the CANdid Talk newsletter;
- broaden community engagement mechanisms and provision of opportunities for face-to-face dialogue between Cannington management and community;
- further dissemination and promotion of the CCF strategic function and associated management process;
- review and promotion of direct and indirect benefits to the community; and
- promotion of local employment opportunities.