

MAJOR CONSTRUCTION PROJECTS AND PROJECTED SERVICE DEMANDS

PROJECT NAME	LOCATION	PROPONENT	PROJECT OVERVIEW	NUMBER OF JOBS GENERATED	TIMING
Cape Lambert Port A Marine Structures Refurbishment Project	The site is located in Cape Lambert, approximately 5 km from Point Samson, and 60 km from Karratha.	Robe River Mining Co Pty Ltd, owned subsidiary of the Rio Tinto Group	<p>Development project: The proposal is to undertake essential maintenance works on the Cape Lambert Port A (CLA) wharf facility and associated jetty. The project consists of two components, the CLA Dolphin Life Extension Project and the CLA Jetty Strengthening Project, collectively referred to as CLA Marine Structures Refurbishment Project.</p> <p>The CLA dolphins were constructed between 1972 and 2002, with recent inspections indicating that the current dolphins are near end of life and need replacement. In addition to this, the existing jetty is approximately 40 years old and reinforcement of the structure is required to ensure continued resilience to future adverse weather events (e.g. cyclones).</p> <p>The Proposal will also include establishment of two laydown areas within already cleared areas, installation of 144 piles for replacement dolphin</p>	Expected to create an ongoing number of jobs over a significant variety of professional and labour fields from short contracts to longterm maintenance work.	Late 2019 and extend for approximately 12-18 month

			structures and jetty strengthening using a hydraulic pile hammer supported by a crane and jack-up barges, removal of redundant dolphin structures and installation of new walkways between dolphins to improve safety and access around the wharf.		
Sherlock Bay Base Material Project	The subject land is located over two large exploration licences located east of Roebourne (and west of Whim Creek) and north of the North West Coastal Highway.	Australasian Resources Ltd	<p>The two exploration areas surround the main Sherlock Bay nickel deposit and are prospective for nickel, copper, silver and gold mineralisation.</p> <p>The site is somewhat remote from Karratha. Roebourne is well placed to assist in providing future transit workers accommodation needs for this project.</p>	TBC	Feasibility is still being undertaken but extensive information is already collected and is allowing the rapid advancement in the evaluation of the project.
Whim Creek Copper-Zinc Project	The site is located 115 km south west of Port Hedland. The project area includes Whim Creek, Salt Creek and Mons Cupri.	Venturex Resources Limited	Exploration project: The Company holds 18,100 ha of tenements over the Whim Creek basin. The project involves identifying opportunities to extract value from these sites. Work on new geological models and resource estimates is ongoing.	TBC	TBC

Sherlock Bay Base Metal	The site is located between Roebourne and Whim Creek.	Joint venture between Australasian Resources Ltd and Metals Australia Ltd	Exploration project: Prospective for nickel, copper, silver and gold mineralisation.	Unknown	Unknown
Rio Tinto's Koodaideri Project	Koodaideri	ACCIONA Australia subsidiary Coleman Rail in partnership with Cloug (engineering and construction company)	Development project: The Koodaideri Project was approved by Rio Tinto in 2018 and will start production in late 2021. The civil works contract for Rio Tinto's has been awarded and involves site establishment, rail formation and drainage earthworks, rail maintenance track, bridge construction, culverts and drainage structures, and level crossings.	Expected to create 200 new jobs	May 2019
		Pindan	Pindan to construct an operations village comprising 470 room accommodation village, a kitchen and dining hall area, gymnasium, recreation building with a café and alfresco dining space, eight laundries, an administration office and shop.	Expected to create 350 jobs over 12 months	October 2019
Balla Balla Infrastructure Project	The site is located in the Central Pilbara region, approximately	BBI Group Pty Ltd	Development project: Integrated port and rail system servicing mining operations. The rail component consists of a 165	Expected to create 3300 construction jobs and 900 operational	TBC

	halfway between Dampier and Port Hedland.		<p>km single-track standard gauge railway connecting the port with the central Pilbara iron ore region.</p> <p>The port component comprises a landside stockyard and train unloading facility, overland conveyors, and transshipment iron ore export facility at the port site.</p>	positions	
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KELMSCOTT CENTRAL PTY LTD

Unit 2, 2954 Albany Hwy, KELMSCOTT, WA 6111

Mr. Arqum Hayat Planner
Compliance Officer
City of Karratha
Lot 1083 Welcome Road
KARRATHA WA 6714

30 March 2020

Dear Sir

Statements on Social Impact Lot 564 (No.7) Hall Street and Lot 563 (No.19) Nairn Street

The City requested, at a SAT mediation session on 17 March 2020, that Kelmscott Properties prepare a social impact statement. We have previously provided advice from leading Australian social impact practitioner Daniel Marsh. That advice concluded that the social impact assessment tool has methodical limitations when assessing a development that is as small as is proposed and that an full SIA is unlikely to be helpful to decision-makers in this case. The advice was the Site can be managed with familiar and uncontroversial management controls.

It remains our view that there can be no significant impacts at the Site for three key reasons.

(a) Absence of a credible pathway to probable significant impacts

For an impact to arise, there must first be an interaction between a proponent's activities (things the proponent's project causes to happen) and the receiving environment (in this case, how people live and work). There must be a pathway by which an impact or change can occur. The small scale of the Site activities (and so, the limited potential for interactions) means there few or no credible pathways for significant impacts to arise.

(b) Continuation of an existing operation

All other things equal, for a change or impact to arise, there must be a change in either the proponent's activities (things it does) or a difference in the sensitivity to change of the receiving environment (that is, how people live and work is suddenly more changed by the same activities). The Site comprises 30 accommodation units and the proposal is to operate 30 units. If there is no change to activities or no change to the receiving environment, there can be no change or impact to assess for acceptability. It is not apparent there has been a significant change in the sensitivity of Roebourne to impacts since the Site last operated (setting aside the Covid-19 pandemic).

(c) Geographic shift of any impact rather than change in any impact

The likelihood is that the same short-term work would be done if guests were forced to stay elsewhere in the City. If there were any impacts associated with this work, the impacts would still occur, but may shift locations (or be regional in nature). Logically, only Site-specific impacts – changes due to the particular nature of Nairn St – should be of concern to decision-makers.

Given that attempting a good practice SIA carries risk for the community and the City (particularly for the next 6-9 months that we might expect Covid-19 to be a major factor), we believe adopting such a direction would be unethical.

The Operator (Kelmscott Central Pty Ltd and/or a sub-contractor) will, however, confirm a robust process for welcoming, acting upon and being accountable for the resolution of any complaints. We intend to maintain relationships with City of Karratha rangers, local police and the three ward councillors for the area to continually improve situational awareness and early detection of any issues.

In addition, the Operator will implement familiar and uncontroversial controls. Below, we briefly describe these controls and how we expect any residual impact to be nil or negligible. For the City's convenience, we have used the headings in its social impact assessment template for this summary statement.

Demographic and population change

The relevant standard operating practice is providing guests with an opportunity for an orientation to the area, including personal safety and culture themes. We would not expect any significant impact to arise either with or without this management control, but this procedure exists to reduce the risks of guests inadvertently causing offence to any person in the City of Karratha and so guests (particularly women) feel safe and adopt safe behaviours.

We do not expect significant demographic or population change. There is no construction of any note (so no construction workforce), only minor works in recommissioning, and operations will support less than full time direct employment for 2-3 individuals. We hope to recruit maintenance and security staff from Roebourne or Karratha. There will be no population change, merely a maximum of 30 guests, typically staying 3-4 nights (equal to less than 2% of the population of Roebourne). To the extent that future guests may previously have occupied accommodation less appropriate for their needs in the tourism sector, the freed-up capacity may induce ~30 additional tourist bed-nights (presumably, matching the lower-spending end of the existing tourist profile).

Accommodation and housing

There is no standard operating procedure relevant to accommodating and housing. Worker accommodation in and of itself is a mitigation to protect property markets from distortion. We do not expect any impact on property markets.

AEC has asserted a potential threat exists to the tourism sector in Karratha from short-term demand fluctuations: "Tourist accommodation currently forms a backup reserve accommodation in periods of high workforce accommodation demand. The danger is that if it persists it will slow the growth of the tourism industry in the City of Karratha". It follows that the reopening of the facility may have some protective effect on impacts caused by other projects' workforces (particularly for the next 6-9 months that we might expect Covid-19 to be a major factor).

Accessibility to community services and facilities

The relevant risk control is the offer of site inductions to make guests aware of community facilities, local alcohol restrictions and associated risks.

The short-stay nature of the Site deters formation of links with the community. With meals provided on site and long-shifts a common feature of this type of work, the scope for interaction with the host community is limited and most likely to include purchasing (fuel, incidental work materials, food), co-working with locals, and visitation to central Karratha entertainment facilities. A concern may be

a dry mess inducing illegal drink driving but there are no Site-specific barriers to policing of community standards.

To the extent these temporary workers make use of locally-subsidised public facilities (e.g. sports facilities, parking) and that could lead to a benefit transfer from local ratepayers to guest workers, there is some mitigation built into the City's differential rate: Workforce Accommodation is subject to increased rates of \$0.32/\$ Gross Rental Value compared to \$0.05/\$ GRV for tourist accommodation.

Social infrastructure

There is no mitigation proposed, as there is no significant interaction with social infrastructure and no impact expected. The Site will not add to local social infrastructure but neither is it likely to detract existing services and facilities. There are no long-term residents and no families. It follows there cannot be impacts on others' access to family services such as schools, day-care, aged care or social housing.

There will be negligible use of the road network which will be insignificant against background levels (the 2018/19 average Monday to Sunday volume of traffic on Point Samson Roebourne Rd north of Cleaverville Rd was 2449) and no public transport is available from the Site.

Any emergency or urgent use of public health facilities is expected to be negligible. Whatever use is made of such facilities would happen if the guest workers at the Site instead stayed elsewhere in the City (the driver of any impact is the demand for workers generated by employing projects, rather than the accommodation of those workers).

Cultural values and beliefs

Concern could emerge if activities at the Site involved groundbreaking activities that might affect Aboriginal architectural or anthropological cultural heritage or post contact heritage sites. There is no construction phase and no groundbreaking.

Community values, identity and cohesion

The standard control to manage this familiar issue is inductions for first time guests and a Code of Conduct. We do not expect any impacts.

Relevant community values may include views/the natural environment and quiet enjoyment of property. The views onto the site will not change (with the exception of some landscaping improvements) and visual impact can be screened out as a potential impact. There are no significant emissions of light or dust. Noise levels will be managed by an onsite Duty Manager who will be trained and licensed as a security professional. Normal noise regulation controls are available to the City.

Guest workers may need some help understanding the local context and ways to enjoy Roebourne and Karratha. This will better enable them to demonstrate appropriate respect for people and place. The Site operator asks guests to observe a Code of Conduct that includes limits on alcohol that can be brought into the Site and prohibits non-resident guests except by individual approval. The Code is administered by the on-site Duty Manager. It has been standard practice that individuals and companies that wilfully break the Code are refused subsequent bookings. Where a sub-contractor's conditions of employment allow, wilful non-compliance may lead to disciplinary action by their employer supported by the Site operator.

Health and well-being

The relevant familiar practice is the provision of Wi-Fi to enable communications with home, maintaining a social mixing place on Site (the dry mess), and promoting entertainment options.

Most of the work that has been done to understand the mental health effects of FIFO work has focused on those with shift patterns that feature long rotations rather than the typical 3 to 4-night stay expected at the Site. It seems probable that issues of social isolation reported to be an issue for some long-term FIFO workers are reduced for the guests at the Site.

Crime and public safety

Again, the relevant controls are the guest orientation briefing (to make guests aware of the place-specific risks to person, property and public health) and operation of a Code of Conduct. The security policy enforced by an experienced Duty Manager should eliminate personal security or opportunistic crime risks.

Economic considerations

There are several direct and indirect stimulatory effects of this site.

One stimulus effect is due to guest occupation and any money guests may spend on incidentals such as fuel, coffee, tobacco and such. The more guests spend on labour-intensive goods and services, the longer this money will stay in the local economy. To give an indication of this potential value, if all beds at the Site were occupied at full effective capacity all year (52 weeks x 6 days x 30 beds = ~9,360 bed nights) and if each guest spends just \$35 a day during a stay, the first-round effects on turnover of businesses in the City from such incidental spending would be ~\$325,000 per annum. Some of this flows out of the local economy in the form of taxes and excises, but much stays in the local economy, with the potential to circulate a number of times by being spent on further local goods and services.

A **second** effect is due to the Operator's modest running costs. This has two elements: the spending on cleaning, cooking, site security and miscellaneous site maintenance; and then the local spending of local people paid wages and contract fees. It follows from above example, there will be more economic activity if cleaning, cooking, site security is performed by local people, and they then in turn spend more on local services than imported goods.

There are **third** and **fourth** effects on the local economy linked to the success of the proponents. As we are a business with other local enterprises such as Cove Holiday Village in Point Samson, the revenues from the Site assist us to make these other enterprises more viable by sharing of fixed costs overheads over a larger revenue. As such, the **third** effect is improving the resilience of existing local enterprises to external shocks (such as reduced spending from a lower oil price or COVID-19 isolation). The **fourth** effect is caused when our business reinvests profits in our next venture in the region and so stimulates investment and supports higher levels of employment that would otherwise be the case.

There could be very modest downward pressure on uncontracted short-stay Worker Accommodation room rates within, say, a 30-minute drive. There may be redistributive effects if some home-owners are informally letting rooms or homes to short-stay workers (including on platforms such as Airbnb).

Employment and local benefits

The relevant familiar control is preferring local businesses for any procurement required and encouraging them to preference people that identify as Aboriginal or Torres Strait Islander for

employment and sub-contracting opportunities. We expect a positive impact on (indirect and direct) employment opportunities.

With little construction work (some minor landscaping and plant supply) and kitchen and laundry fit out the employment and contracting opportunities will be given to local Roebourne and Karratha based business. The main employment focus will be on linen/laundry, catering, cleaning and waste management, occasional maintenance and Duty Manager/security. The minimum staff will be recruited from Roebourne and the Duty manager would reside in the current old residence existing on site.

For reasons including safety, the Operator's usual contracting and employment procedures will seek competitive local suppliers (in Roebourne) in preference to the wider area. The Operator/subcontractors may use Section 51 of the WA Equal Opportunity Act 1984 to introduce measures (including niched advertising to develop a recruitment pool) considered necessary and proportional to attract such workers on the basis that members of a racial group are currently disadvantaged because of their race.

As to the origin of the guests using the facility, we reiterate that unlike the Woodside/Bechtel type facility, the Operator is not the employer of the guests and therefore has very little control over where guests originate from. There is no reason to target guests from Roebourne, however, as they will already have accommodation and so can perform work locally – and the niche being targeted is non-local workers needing short-stay industrial style accommodation while conducting maintenance or specialist construction tasks lasting from a few days to a few weeks.

It may be convenient and safer for central Karratha-based businesses to use the Site for project work in Roebourne/Wickham/Cape Lambert area where long hours and driving present an unacceptable risk, but we do not expect that to be a significant occurrence.

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The familiar and uncontroversial worker accommodation management controls summarised above are appropriate to manage the very low or negligible risks presented by restarting operations at the Site. Overall, we believe the restarting of operations is modestly protective of the local economy and tourism. Our overall mitigation, as a responsible operator, is to continue to develop networks in the City to help us with the early detection of any unexpected impacts and the development of appropriate adaptive management strategies.

We submit, this document satisfies the intent of DP20.

Yours sincerely

Talha Patel

Director