

People and Communication



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Executive General Manager,
People and Communication

People Strategy

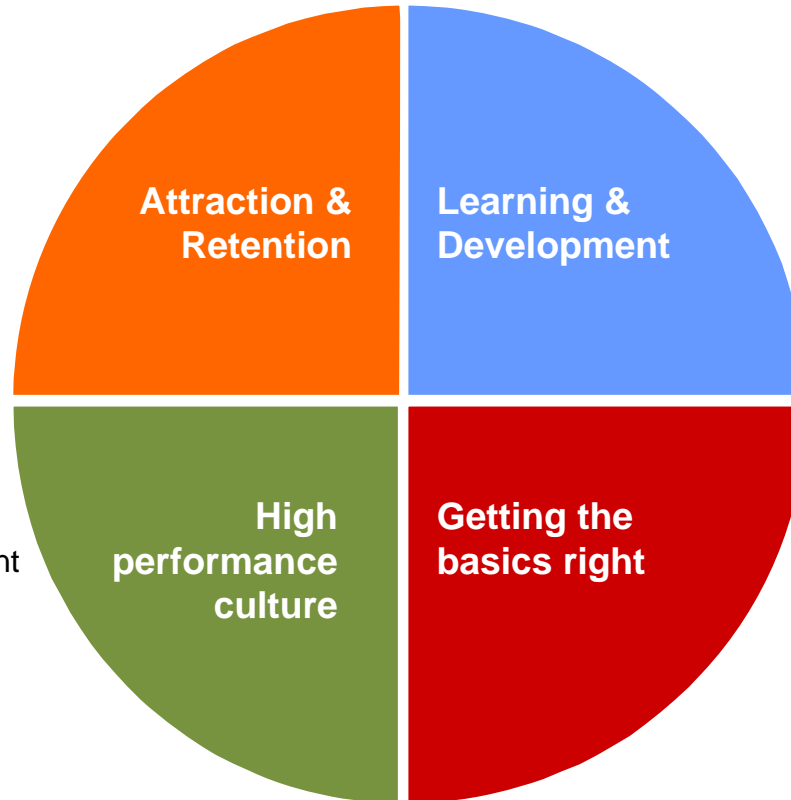
Our People Strategy is two fold:

- **To build a Newcrest culture which drives our Vision to be Miner of Choice, where our people, their values and their behaviours demonstrate performance, professionalism and commitment**
- **To build and develop the people resources and processes which enable Newcrest to implement its three horizons growth strategy**

Approved by NML Board 2008

People Strategy

- Recruitment
- Retention
- Succession planning
- Graduate & Vacation Programs
- Workforce Planning
- Induction
- M&A integration



- Performance management
- Incentives
- Direction
- Innovation
- Rewards
- Communication
- Benchmarking
- Direct relationship with employees (no 3rd parties)

- Development
- Suite of programs
- Creating our Future workshops
- Leadership capability
- Competency Framework
- Newcrest Operator Training Centre – Cadia
- High Potentials program

- Policies
- Procedures
- Leave
- Forms online
- Records
- Employee Self Service

Positioning for Growth - People & Performance

CENTRALISED

- Strategy
- Policy
- Remuneration & Benefits
- Process & Procedures
- Standards
- M&A integration
- Recruitment
- Administration

SITES

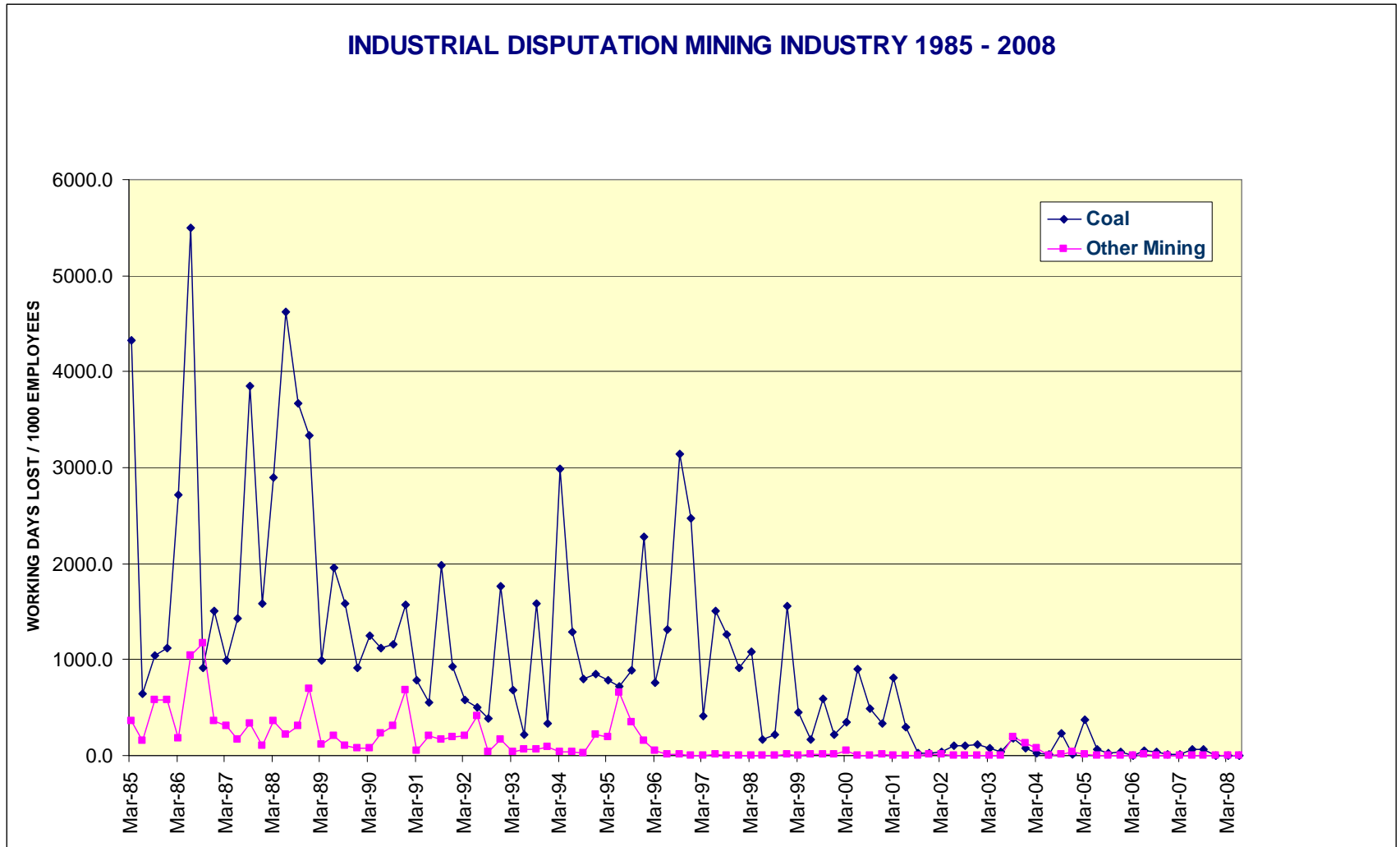
- Implementation
- Advice/Discipline
- Terminations
- Coaching
- Compliance
- Inductions
- Training delivery
- Temperature read



Attraction

- **Strong and attractive brand in mining sector nationally**
- **Key differentiators**
 - Size; future growth profile; leadership; industry reputation and development opportunities
- **Internal capability for candidate search**
 - Key strength and competitive advantage
 - Market knowledge enhanced – over 40,000 in talent pool
 - Cost savings in excess of \$4M per annum
- **Time to recruit less than 8 weeks**

Industrial disputation low in the mining industry



Employee relations

- **Quality of leadership key determinant**
 - Big investment in development of supervisors & managers
- **Systems and process to hear employee voices**
 - Fair Treatment Systems; Speakout Program; Ideas Management
- **Direct relationship with our people**
 - Industrial instrument only part of equation
 - Individual agreements ...AWAs, ITEAs
- **Future underpinned by employee collective agreements**
 - Critical to ensure that the needs of our people are met

Employee conditions enhanced

- **Introduction of more attractive rostering arrangements in 2008**
 - Professional and some operational employees on 8/6.
- **Telfer – Reduction in FIFO and improved accommodation arrangements**
- **Introduction of site performance payments**
- **Retention program**
- **Employee Share Acquisition Plan (ESAP) now for all fixed term employees**
- **New STI and LTI performance incentive programs**

Performance focus

- **Clear directions and measures**
- **Enhanced performance management**
- **New performance incentive programs**
 - STI and LTI
 - Business measures and personal measures
- **Working towards extending incentive programs deeper in 2009**
- **Personal measures internally audited, benchmarked and calibrated**
- **Partnership with operations to drive measurement and benchmarking**
- **Training and development to lift competencies and leadership capability**

Performance focus in remuneration structure

Composition of General Manager remuneration (% of total remuneration)

	Fixed	STI	LTI
Mining Industry*	92%	9%	n/a
Newcrest (old)	65%	16%	19%
Newcrest (new)	59%	24%	18%

STI = short term incentive; LTI = long term incentive

** Source: McDonalds Oct 08 Gold & General Mining Industry Rem Report*

Creating our Future workshops

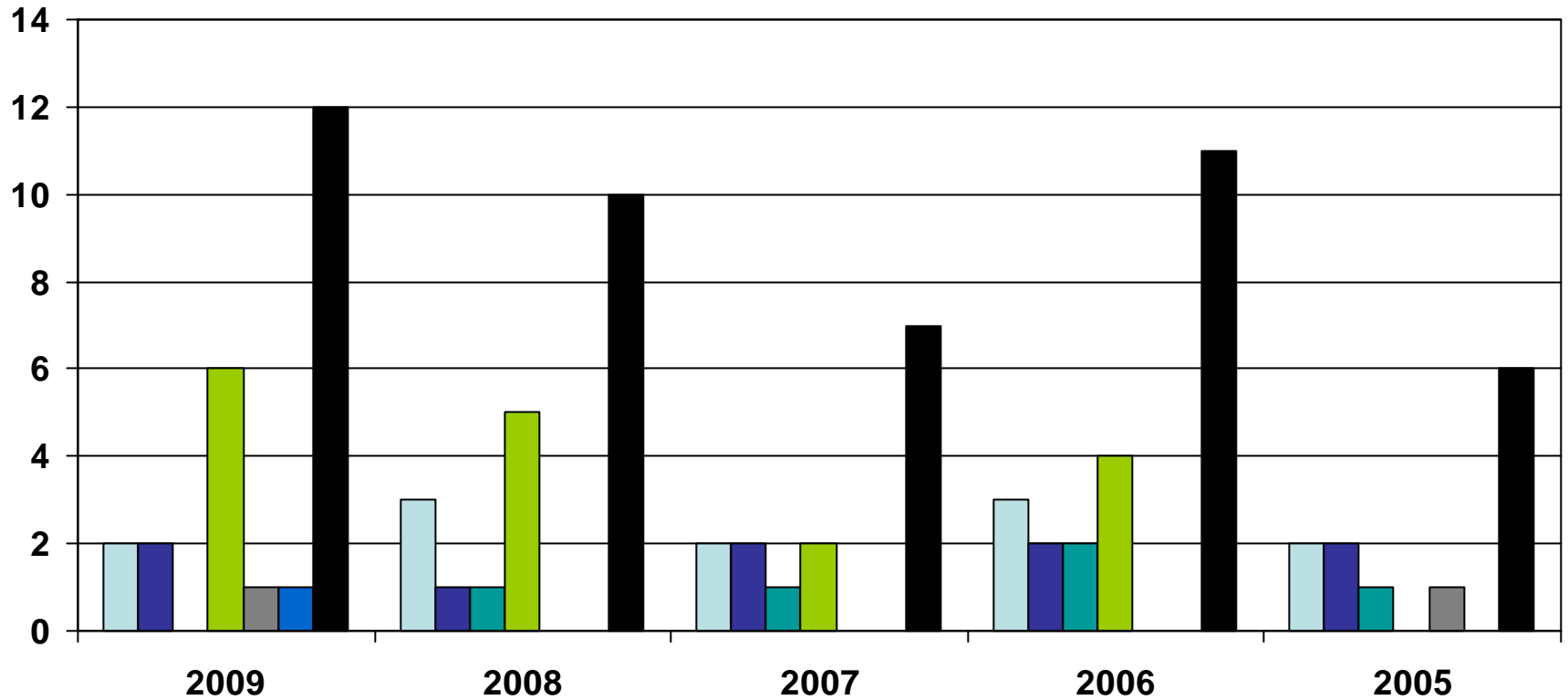
- **Group wide cultural development initiative**
 - Focus on building confidence and capability
 - Risk, Project, Change and Asset Management competencies
- **For all Newcrest employees**
 - Contractors also invited
- **Workshop roll out began September**
 - Target to complete by end 2009
- **Demonstrates commitment to our people and their development**
- **Lays groundwork for cultural development re innovation, learning & development, leadership capability, strategy**



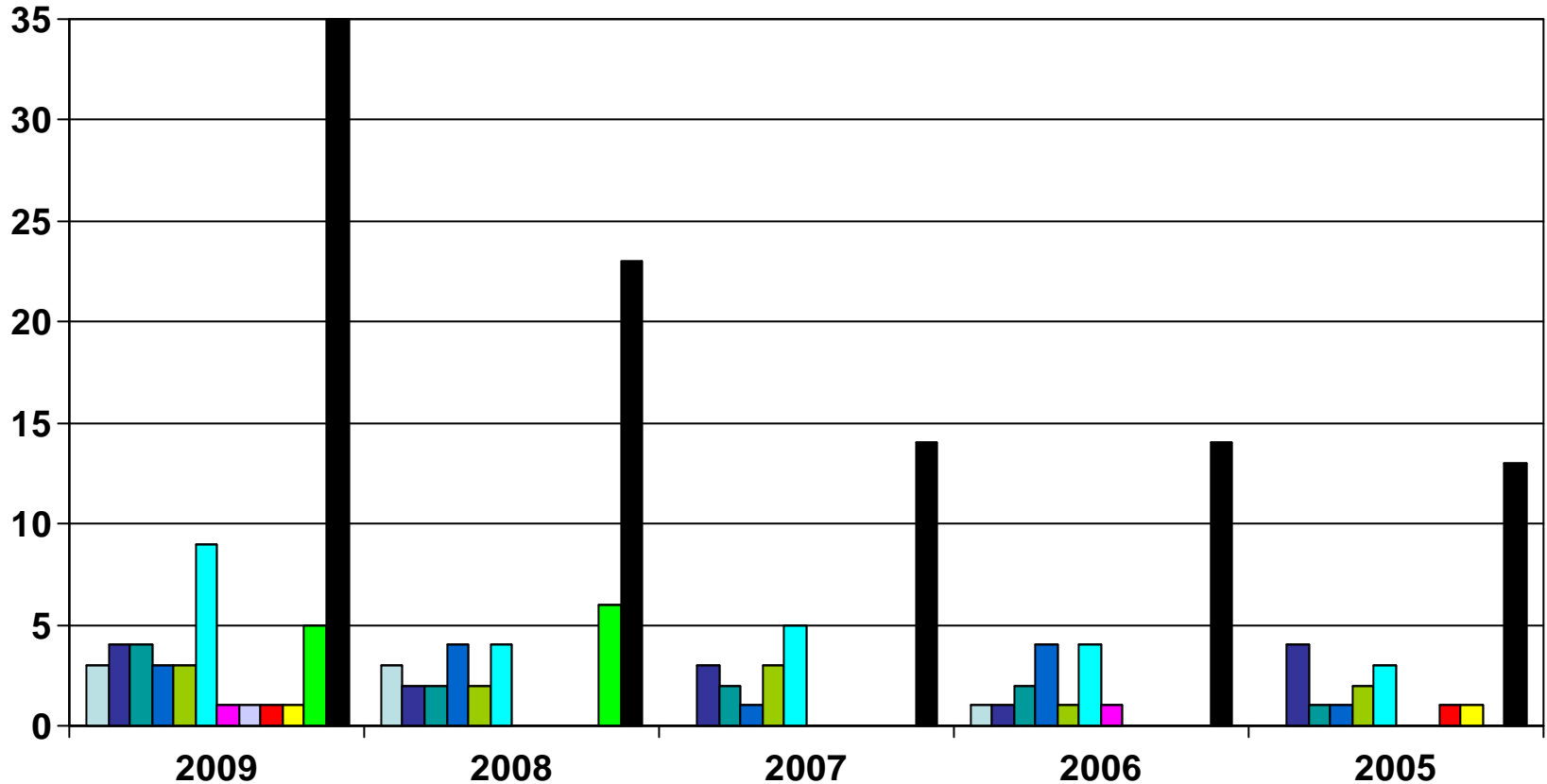
Graduates and apprentices

- **Clear imperative for the future of Newcrest**
- **Overwhelming response to graduate opportunities**
 - Over 1500 applications in first three weeks
- **Significant investment in recent years**
- **A two year program, incorporating two site secondments**
- **Apprentices a key element of operational capability**

Newcrest apprentice intake 2005 - 2009



Newcrest graduate intake 2005-2009



Employee turnover

- **Overall in line with the industry**
- **Telfer operations**
 - Currently higher than industry average (FIFO operations)
 - Significant organisational changes
 - reducing 400 positions on site
- **Cadia Valley Operations**
 - Less than 10% - bottom quartile (east coast)
- **Corporate and functional groups**
 - Less than 10% - bottom quartile
- **Indications that 2009 will see a reduction in turnover**

Reducing costs

- **Careful management of wages growth**
 - Softer wages growth vs mining sector average# in 2008
- **Internal recruitment capability vs external agencies**
- **Minimise number of expatriate employees**
- **Internal resources delivering Creating our Future**
- **Centralisation eliminates duplication**

Source: McDonalds Oct 08 gold & general mining industry