

**Andrew Michelmore**

**CEO MMG**

**Session theme:**

The role of mining in global sustainable development: from environmental stewardship and community engagement to resourcing a sustainable future.

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**Introduction**

- Thank you for the opportunity to be a part of today's discussion on *the role of mining in global sustainable development*.
- Today I will discuss some of the initiatives across MMG and its growing global footprint – in the context of the swiftly changing challenges and opportunities faced by the broader mining industry.
- Let us start quickly with a brief review of the evolution of the mining industry's approach to sustainable development over the past 30 years.

**Building a community around a mine**

- Many of us remember – or, in fact, lived and worked – in towns that were built specifically to support mining development and operations.
- The mine is surrounded by a vibrant township, which was founded to provide a home for the miners and a local community to encourage investment in the region.
- In the 1990s, there was a move away from this model for many reasons and a culture of fly-in fly-out employment evolved – miners no longer established homes amongst the local communities where they were operating.

**Transition to project participation**

- There was a transition to more structured agreements between mining companies and local communities (particularly Indigenous) emphasising mining as opportunity for long-term social and economic development.
- This was largely driven by a shift – legally, socially and rightly so – towards working more closely with Traditional Owners of Country.
- The Gulf Communities Agreement (GCA) – now a 20 year old agreement - applies at our own Century mine located in Queensland. It exemplifies the first wave of participatory agreements.
- This agreement emphasises project participation.
- This means the local community participates and hence benefits from mining through training, employment and local business for example. Participation encourages long-term and much-needed social and economic improvements in one of the most disadvantaged parts of Queensland, if not Australia.
- While the aspirations of the agreement were laudable – the complicated governance structures between the mine's owner, Queensland Government and four native title groups, have required an evolving approach to subsequent agreements.

## **Sustaining progress beyond mining**

- The current transition in thinking is in a response to a question: *how to sustain progress beyond mining?*
- By *Beyond mining*, we mean both in terms of outside the traditional spheres of project participation and well-after last production.
- And *progress* in terms of positive impact among our employees, communities, across nations and the world.
- With the focus now firmly on the role of mining in society, it is now time to build a more sophisticated understanding of the impacts of mining.
- Partnerships are at the centre of this – each partner bringing capability and learning to stand in the shoes of each other.
- It is time for conversations about what mining can contribute and how best to support development.
- I'd like to use an example from Laos, where MMG operates the LXML Sepon mine in partnership with the Government of Laos.
- The Lao resource endowment study, conducted by the International Council of Mines and Metals (ICMM) in 2011, brought about discussions about mining's contribution to international development.
- In addition to the significant national benefits drawn from royalties and taxes, export earnings and economic contribution, the study highlighted the importance of resource extraction as means of developing local capacity.
- This wasn't just in the traditional spheres of employment and training but in improving health, protecting cultural heritage, fostering small and local business and building governance capacity.
- Another example is our Kinsevere mine in the DRC, where partnerships between the mine, government authorities and the communities are leading to extremely encouraging educational outcomes.
- For example, while MMG's Kinsevere mine built the Kifita school in a nearby village, it is now managed by government authorities with strong input from the local community.
- To support positive education outcomes, MMG continues to provide funding for initiatives to support teacher engagement and student learning, such as a meal-a-day program and supplements to teacher salaries.
- And recently, students of this school – achieved the highest marks of any educational facility in the DRC during national tests.

## **Development as a dividend of mining**

- There is no doubt that mining creates wealth – for shareholders and employees, wealth is realised in the short term through the payment of dividends, wages and payments to suppliers.
- However, in the regions where we operate, we need to plan, engage and partner with local communities to create opportunities for long-term sustainable wealth, not just for the current generation, but for the generations to come, long after mining has finished in the region.
- We believe mining should be about creating wealth to deliver a development dividend.
- An example of this inter-generational focus is our recent partnership between MMG, the Lao Government and UNICEF - resulting in the launch of the [1000 Day Project](#).
- MMG has invested US\$1.4 million over three years, and the project aims to reduce infant mortality, curb stunting from malnutrition and support the cognitive and physical development of children in provinces in Southern Laos and around Sepon mine.
- Through collaboration between the Lao Ministry of Health, UNICEF and MMG, more than 180,000 children are expected to receive important micronutrient supplements and benefit from initiatives to educate mothers and care-givers about child health and nutrition.
- This program also was only possible through the role of partnerships.

- To achieve long-term development the foundation must be partnerships based on shared goals, respect and responsiveness.
- This is a lesson MMG applies wherever we operate, either in Australia, Laos, the DRC and, now, Peru.

### **The importance of partnerships**

- So what do these partnerships look like?
- The African copper belt in the DRC contains some of the highest grade copper in the world. Historically, many companies have entered the region, exploited the resource then exited without sharing benefits with local people.
- Since acquiring the Kinsevere mine in 2012, our priority has been to build trust with nearby communities and other stakeholders. Kinsevere has retained the same social development manager since 2008 and in the region we are working to achieve a goal shared by local communities – to improve food security in the Katanga Province.
- Our long-term agricultural program is helping to do this by working with local farmers and agronomists to boost local incomes and improve nourishment.
- At MMG's newest asset, the Las Bambas copper project, in Peru we are already working with local communities and authorities to improve education, health and other social aspects.
- We are also working to complete the resettlement of a community near the project.
- Here, our aim is to respect the beliefs, values and preferences of the local community.
- It is recognised traditional leaders who are driving the resettlement discussions and arrangements and determining community infrastructure requirements.
- It is important for MMG to maintain a strong working relationship with the community as they will be an important partner for us in the long-term – through employment, training and the establishment of local businesses that are needed to support to the Las Bambas workforce.
- We are beginning what we expect to be a generational partnership in the Apurimac region of Peru. We are applying every lesson from our previous mines and best practices across the mining industry to bring the benefits of development to this economically 'overlooked' region of the Peruvian Andes.

### **Conclusion**

- To finish close to home, I want to close my address on perhaps our greatest challenge in the Northern Gulf region of Queensland here in Australia.
- After almost two decades of building and operating one of the world's largest open pit zinc mines, the Century pit will finish production in 2015.
- Over the life of the operations, the mine has generated training, skills development, employment and royalty and direct financial dividends to the people of the Gulf region.
- Our responsibility now is to work together with all stakeholders in the Gulf to ensure that the transition to a new future for the Century infrastructure continues to provide benefits.
- An example is our highly successful traineeships and apprentices program.
- With employment now decreasing at the mine as activity starts to wind down, MMG cannot take more employees into its workforce.
- What we will do is fund up to 30 young people with links to local Native Title groups and communities around Century, to complete traineeships and apprentices at third-party organisations and businesses.
- MMG is committed to funding the program until the trainees complete their studies as a way of supporting communities to transition to a post mining economy.

- This is a small example of what partnership means and I'd be the first to say that MMG is still very much learning as we work with our employees, community, government and industry to create a development dividend.
- However, I believe- based on a commitment to partnership and progress - that we are heading in the right direction.

(ends)

**More information**

MMG publishes an annual [Sustainability Report](#) which further details its performance and approach. This report is available for download at [www.mmg.com](http://www.mmg.com).