



Sustainable Business - CSR

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CEDA Sydney
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AUSTRALIAN
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MEMBER

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The Challenge

The mining sector can only find and develop resources with the support of communities and societies.

We operate under the increasing expectations and scrutiny of local, regional and global communities.

We understand that communities are seeking a balance between economic growth, social cohesion, cultural strength and environmental stewardship.



The Context

Global Economy

Human Rights

Access to arable land, potable water and economic resources

Social License To Operate

The Global Reporting Initiative

Equator Principle Banks



The Climate

We mine where the ore is found. We do not choose our locations we find them and therefore we do not choose our communities. The converse is that our communities largely do not choose us. We are almost always on someone else's 'country', and from exploration onwards we are engaging in a process that signals change.



We bring a legacy which many people fear – and although the industry has seen phenomenal improvement in environmental, social and safety performance – this is often unknown outside industry and regulatory circles.



This is the *climate* in which our explorers begin the process of starting relationships that will carry through into development, production and finally closure.



The Industry

Our History

Global Mining Initiative

**Sustainable Development Challenges:
what does SD mean for the Mining
Industry**

**WB Extractive Industries Review: The
Resource Curse**

Technology and options

People: attraction and retention

The Business Case: beyond philanthropy



The General Business Case

The need for social licence is often best understood in the negative – there are many examples where access is denied or production is prevented, slowed or halted due to social and community issues.

Environmental, community and social sustainability make business sense and are crucial to business survival.



Social Licence to Operate

A Social License To Operate (SLTO) is a fundamental requirement of our business.

Access to land, and acceptance within the community/society are key planks of being able to operate.

A SLTO must be earned and maintained. It is hard to get and very easy to lose.

The capacity to manage SLTO is likely to one of the ways that the market judges the capacity of the senior management of the company.



Why Is Indigenous Relations Important

Mining largely occurs on land controlled or strongly influenced by Indigenous peoples

Access to land and the need to have support from local communities.

Business drivers for local employment

A commitment to social improvement and reconciliation.



We have common interests

Like the rest of the broader Australian community, Aboriginal Australians desire real jobs in the real economy, cultural strength, functional communities and control over their lives.

The Aboriginal Mining Conference



Indigenous Australia

Diversified population – cities, rural, remote – across the country and the spectrum of experience - multiple nations and language groups

There is not one story for Indigenous Australia

History - removal of children, segregation, institutionalisation, 1967 referendum

Growing fast – 17% increase in 2001, 17% in 91, 33% in 96, etc

2.4% of Total Australian population

Health and socio-economic status

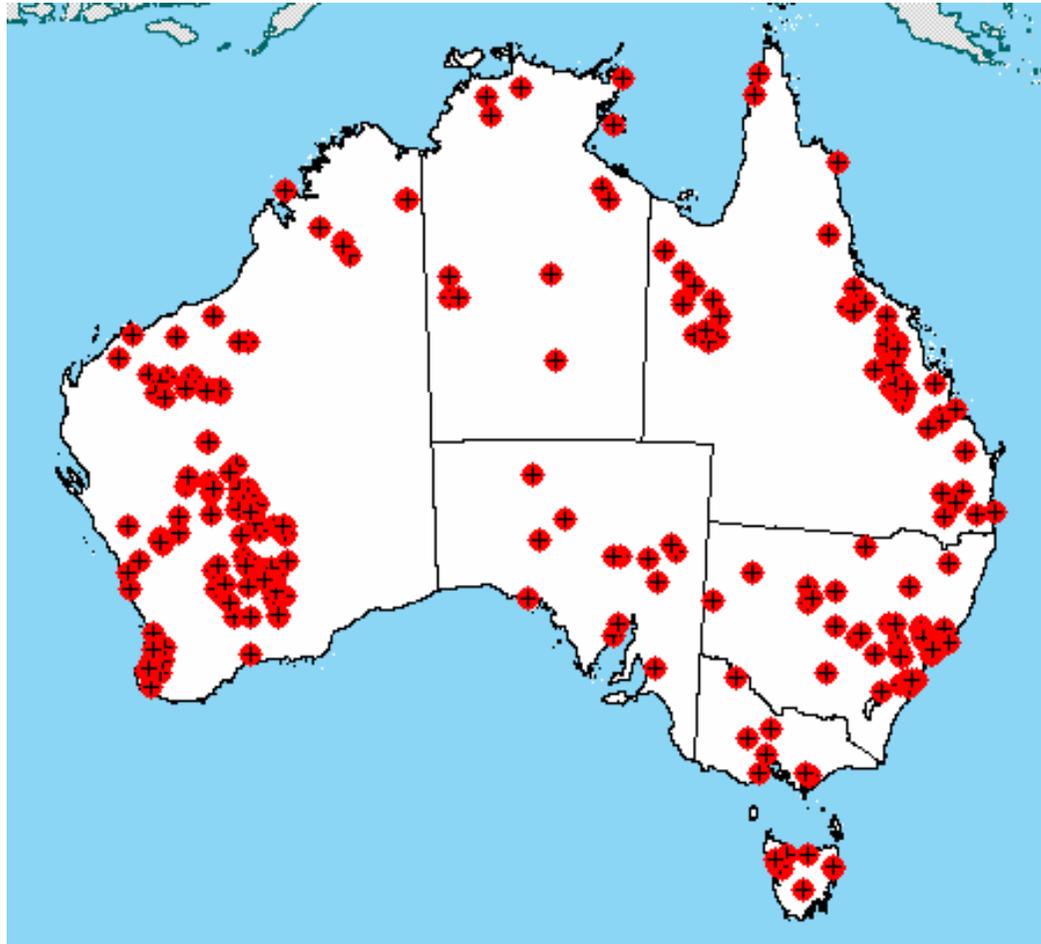
Political marginalisation



Indigenous Nations of Australia



Mining Operations in Australia



Understanding Ourselves

Mining Industry Attitudes and Legacy - 90s and Native Title

Cultural baggage - local prejudices and misunderstanding - racism

Lack of industry capacity and understanding in dealing with community and social issues.

Cultural Competence – or is awareness enough

A technical, managerial, political, policy and market challenge



The Business Future - people

The skills shortage – an ageing population.

Mining is not well placed in a competitive environment – retention/safety/cost.

Another picture: in 2001, half of the Indigenous population was aged 20.5 years or less. In the NT, the Aboriginal population is 28%, but in primary schools 42% of students are Aboriginal - in ten years that will be over 50%.



A New Approach: MCA – C/W MOU

A partnership between the mining industry, Indigenous communities and Australian Governments.

Collaboration and partnership based on mutual respect, shared responsibilities (and accountability), respect for culture, customs and values.

Building sustainable development.

Joint commitment to social, economic and institutional development for communities.



Where is it happening?

Indigenous communities in mining regions where MCA member companies operate

Regions in the first phase include:

- **Western Cape York (Qld)**
- **East Kimberley (WA)**
- **The Pilbara (WA)**
- **South West Perth (WA)**
- **Tanami (NT)**
- **Wiluna (WA)**



Opportunity and Social Licence

This is about business continuity - a workforce planning issue and opportunity. It is about sound business planning and workforce development and as we well placed as we are already a significant employer of indigenous Australians.



Other Industry initiatives

Diversity – globalisation, skills shortages, women and mining including Indigenous engagement strategies

Social Skills development

Regional and remote economic development

Environmental responsibility – Cyanide Code



To survive we have to

Understand and respond to the external factors that can affect the achievement of business strategies and outcomes;

Our GMs feel the pressures outside the mine gate.

SO AS WE BUILD ON OUR STRENGTHS, WE ALSO NEED TO CHANGE OUR CULTURE and RE-SKILL, RE-EQUIP, RE-PRIORITISE





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