Showing miners the way

Resources companies need to be more socially responsible

PENNY LANGFIELD

THE impact of big mining operations on nearby communities can cause tensions.

For example, fly-in, fly-out workers may change community dynamics; residents are sometimes forced off farming land; and environmental fallout is a perennial threat.

Moves are under way to alleviate some of these problems, with governments and non-government organisations such as Oxfam putting pressure on the mining industry to improve its relationship with communities.

The Centre for Social Responsibility in Mining at the University of Queensland is also striving to improve the industry's social practices.

David Brereton, the centre's director, believes the resources sector is heeding the call.

"The social responsibility agenda has moved from being very much on the margins and nice to do, to being much more central to companies and their business," he says.

"I don't think that's happened just because they've all found religion or anything else. I think what's been driving that is fundamentally increased scrutiny of the industry's performance globally."

The CSRIM has been operating within the Sustainable Minerals Institute at UQ since 2001. A leading research centre, it aims to enhance the social performance of resources companies through research, education, training and consulting. It focuses on the social, economic and political challenges that result from resource extraction and development.

Brereton, the founding director, plans to move into a different job at the institute, saying it is time for fresh ideas. Hence the CSRIM is seeking a new chief. Anticipating emerging research trends locally and internationally will be a key part of the new director's role.

"We're not blue sky," says Brereton, "but we try not just to be reactive.

The drying up of traditional resource areas is one factor that is affecting the sector, the professor says, pointing out that companies can no longer be too picky about mine locations. They are being forced, as a consequence, to operate in places where it is harder to do business.

"If you take copper, for example, the big tier-one deposits are getting harder to find and grades are declining, so companies are now going into places like West Africa, Mongolia, reactivating in Papua New Guinea."

Social management strategies are becoming entrenched in business models because of the community pressures in these areas, Brereton says.

"How well you manage your engagement with communities and what impact you have on them and what legacy you leave can actually make the difference between whether or not you can do business."

This added pressure on business underscores CSRIM's role in the industry.

"You are engaging with companies around what is really their core business; you're not just working at the margins."

The centre has a strong interest in the Asia-Pacific region, including monitoring the impact of community resettlement from mining activities in Melanesia, the division of islands northeast of Australia. Another recent research project in Latin America involved three researchers travelling to Barrick Gold's Pierina mine in Peru to investigate company-community conflict management.

The centre has also delivered workshops on managing social outcomes in Mongolia and Cambodia, and it has interests in PNG and Fiji.

The new director will need to have a finger on the pulse of the resources industry, including reforms such as the federal government's proposed carbon tax and controversies such as the coal seam gas debate that are influencing the sector in Australia.

Brereton says a scheme that puts a price on carbon is likely to help mining companies realise their environmental goals.

"They've all got fantastic aspirational targets in this energy space, but their performance hasn't been matching it," he says.

"Things get attention, innovation happens when there's a business case for giving it attention, and a thing like a carbon tax helps to create the business case."

The coal seam gas issue has ignited tensions between the agricultural and mining sectors.

Brereton says both sides have valid points of view and he suggests coal seam gas is a good transitional energy source as renewable energy technology develops, because it involves less carbon emissions than coal.

"It's a better fuel, basically," he says. "It's all fine for people to talk about closing down the coal industry, but that's uninformed by any sense of reality about what we actually need to do to continue to meet our energy needs in the foreseeable future."

Mining coal seam gas is a different beast to traditional coal mining operations that are restricted to one area. The former requires lots of wells spread across larger distances, and this has created friction between miners and landowners.

"You have lots of wells; it's like a centipede with lots of little footprints over a very big landscape," Brereton explains.

"Deposits are on land that's being used for other purposes, for agriculture and farming."

Brereton says his centre is not an anti-resources body and the new director will have to be willing to work with the corporate sector and resources groups.

"We're not an industry advocacy group, but you have to be able to understand companies, how they work, why they do what they do, [and] engage with them in order to influence practice."

The successful candidate should be committed to making positive social changes and applying research in the sector.

"What we're looking for is that sense that you can do work that can actually make a difference," he says, "because you have the potential to improve industry practice and improve social outcomes for communities."