



SUSTAINABLE DEVELOPMENT IMPLEMENTATION

ENDURING VALUE: THE AUSTRALIAN MINERALS INDUSTRY FRAMEWORK FOR SUSTAINABLE DEVELOPMENT

2004 was a landmark year in the consolidation and extension of the industry's commitment to sustainable development, marking a profound shift in how the industry operates.

At its Inaugural Global Sustainable Development Conference in October, the Minerals Council of Australia (MCA) launched *Enduring Value – The Australian Minerals Industry Framework for Sustainable Development*.

Enduring Value provides a framework of guidance and resources to ensure the industry maintains its 'social licence to operate' *, whilst maximising the long-term benefits to society that can be achieved through the effective management of Australia's natural resources.

Through the integration of economic progress, responsible social development and effective environmental management, the industry is contributing to the sustained growth and prosperity of current and future generations.

The key role of *Enduring Value* is to enable companies that operate in Australia to implement and extend the 10 Sustainable Development Principles, adopted by the industry globally, into operational practice at exploration, mining and minerals processing operations and, to the extent possible, suppliers.

Australia's contribution to the development of these Principles was heavily drawn from our decade-long experience and leadership in continuous improvement in environmental management through the Australian Minerals Industry Code for Environmental Management.

Enduring Value is an excellent example of productive external stakeholder engagement in developing a mutual understanding of what we are trying to achieve collectively as a society. The Framework was developed through consultation with some 900 stakeholders. *Enduring Value* therefore reflects the key aspects of sustainable development that our stakeholders from government, academia, non-government organisations and civil society, consider are the most important to be effectively managed at the operational level.

In recognition of the importance of this Framework to industry and the community, the MCA Board endorsed *Enduring Value* as a compulsory requirement for full Council membership. Commitment to the Framework is also open to companies that are not MCA members.

Commitment to *Enduring Value* brings with it a number of obligations, including:

- > progressive implementation of the global Sustainable Development Principles and Elements
- > public reporting of site level performance, on a minimum annual basis, with reporting metrics self-selected from the Global Reporting Initiative (GRI), the GRI Mining and Metals Sector Supplement or self-developed
- > assessment of the systems used to manage key operational risks.



To complement *Enduring Value*, the MCA has embarked on several key initiatives to facilitate and assist companies in their sustainable development endeavours.

A comprehensive online resource kit is being developed to provide industry and the community access to a range of tools and guidelines representing leading practice in all aspects of sustainable development implementation, relevant to minerals industry operations.

This resource will draw from both national and international sources and will be a key enabling resource for the industry to optimise its contribution to sustainable development,

The MCA has established a formal partnership with the Australian Centre for Minerals Extension and Research (ACMER) to deliver a comprehensive sustainable development extension strategy over five years, specifically concentrating on improving environmental and social management competencies.

The MCA has also formalised an agreement with the Minerals Industry Safety and Health Centre (MISHC) to continue their work on the Minerals Industry Cooperative Initiative (MICI) that specifically focuses on building capacity through new techniques and technologies in sharing knowledge on safety risk assessment and management.

Enduring Value will be formally opened for signature on 1 January 2005, when it will replace the Australian Minerals Industry Code for Environmental Management as the industry's commitment to 'beyond compliance' performance attuned to community expectations.

Going forward, *Enduring Value* will underpin the MCA's policy and advocacy activities on sustainable development, and its adoption, extension and implementation will be actively pursued throughout 2005.

* SOCIAL LICENCE TO OPERATE

Key to the industry's commitment to sustainable development is the concept of a 'social licence to operate'. Simply defined, 'social licence to operate' is an unwritten social contract.

Unless a company earns its 'social licence to operate' and maintains that licence on the basis of good performance on the ground and community trust, there will undoubtedly be negative implications.

Communities may seek to block project developments; employees may choose to work for a company that is a better corporate citizen; and projects may be subject to ongoing legal challenge, even after regulatory permits have been obtained, potentially halting project development.

The MCA strongly supports the role of a 'social licence to operate' as a complement to a regulatory licence issued by government. To the minerals industry 'social licence to operate' is about operating in a manner that is attuned to community expectations and which acknowledges that businesses have a shared responsibility with government, and more broadly society, to help facilitate the development of strong and sustainable communities.

