



INAUGURAL GLOBAL SUSTAINABLE CONFERENCE
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CONCLUDING REMARKS

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Conference Chair, Christine Charles, distinguished guests and delegates.

After three intense days I will keep these concluding comments short, but I would not be doing justice to the extent of the contribution of Speakers and Chairs, the Conference Organising Committee and you, the delegates, if I was glib in summarising our experiences of the last three days.

Four fundamental messages stood out.

First, that this inaugural Global Sustainable Development Conference represents another significant step, even a paradigm shift, for this industry in its pursuit of sustainable development from where we were in Brisbane twelve months ago.

Second - recognition of progress - from the very opening session, we have had a litany of success stories – good, practical outcomes – we have a good story to tell, but we have an even better case in the showing.

This, of course, is where the real bankable assets lie in terms of recognition and reward for continuous improvement – which is in turn, a function of:

- i) the business case itself – creating value by reducing the risk profile, improving productivity and sustaining access to land, the underlying resource, the capital to markets and to skilled people;
- ii) social licence to operate – the unwritten social contract that goes beyond a regulatory licence; and
- iii) industry standing and the “feel good” factor – as was pointed out in the ESDAG session, just as a good working environment is considered important, if not more important, than salaries, so too do people want to work in, and for, a well regarded industry.

Third, recognition that although we've made progress, we still have a long ways to go. Indeed it is unlikely we will ever reach where it is we're going, because by definition continuous improvement is, by its very nature, infinite.

I hasten to add that there is strong consensus that we're headed in the right direction, and that we have a very solid platform upon which to build.

Which brings me to my fourth, and significant point which embraces the key success factor in the industry's global pursuit of its contribution to sustainable development – a shift to a holistic systems approach to what we do. Not in the tradition of our industry of talking management or operational systems, but rather a material, eco-systems thinking and practical approach.

I said it in my opening remarks that for an industry founded in scientific and technical disciplines and therefore a tradition of one-dimensional thinking and approaches, we have transcended that narrower dimension of what Allan Savory calls visions and missions, to what I referred to as a three dimensional prism of sustainable development and to what Allan Savory accurately describes as “the whole”, or holistic, systems.

That his message would resonate so well with us is testament to the extent of the advanced thinking and practice in this industry.

Few contest Allan's sobering assessment of the challenges facing the sustainability of modern civilisation:

- that our collective fallibility lies in a linear decision making culture
- that the three dimensional prism of sustainable development is the key framework for our generation as we strive for what Allan called a desirable resource base, not in terms of what it is today, but what it should be like to be sustaining tomorrow
- and what Indigenous Australians refer to as a future for our grandchildren's grandchildren.

As Allan said, and as we know, if you get the economics right without the social and environmental and *vice versa* for all three, it will, and I quote, “*come back to bite you on the bum*” – no argument in this forum.

Fundamental to this systems approach and the bleeding obvious, when you think about it, is the human element – understanding, appreciating and accommodating human behaviour is pivotal to the implementation of holistic systems of sustainable development.

This systems approach came through this conference time and again.

It was manifest in the safety and health discussions in terms of our preventive systems approach that we rigorously pursue, rather than the one dimensional, after the fact, clean up the mess, or remediation, approach.

Of note, is the necessity to move the industry's safety performance to the next paradigm shift and to bring health in from the cold. It has been described as the poor cousin of safety.

As I said in my opening address, the MCA has brought this issue to the fore and we will be undertaking quite a significant project over the next twelve months which will be founded in that preventive systems, before the fact, focus.

However, I hasten to add, and again as I alluded to in my opening address and was made very clear in an earlier session today, there is a real risk of a retrospective contingent liability for failure to address chronic health exposures. These can take many and varied forms and the message was undertake an audit, be able to measure, monitor and manage.

And also in the discussions on fatigue management where the key message was to develop a better understanding of human behaviour and the physiology of fatigue and sleep and the need to build working or shift arrangements around the prerequisite for sleep, more so than work requirements.

This systems approach was also evident in the discussions in the broad social context.

In community relations, both Indigenous and non-Indigenous, where respect for culture and rights, engagement and listening is foundation to partnerships, and mutually beneficial relationships and outcomes.

Again, not only critical to the social licence to operate and promoting gender and culture diversity in the workforce, but also capitalising on local knowledge – I was very taken with the reclamation case study where the local community were more accurate in their assessment of the water model than was the company.

This systems thinking was also discernible in our pursuit of materials stewardship where there is a shared responsibility up and down the value chain for the flow of our materials through the life cycle.

For us, this extends most to suppliers and customers. But we also heard an excellent case study on diamonds, and particularly the Kimberley process in certifying non-conflict diamonds, where this can extend to the consumer and that indeed, a defence of due diligence driven by the ethical case became foundation to the business case and the opportunity for country of origin branding, competitive differentiation and rewards in the consumer market.

This also extended to suppliers of contracts and services where the contractors made it very clear that they too are taking equity in the sustainable development outcomes, even to the point where they assume responsibility for the company they are contracted to.

And, we were also witness to this systems approach in the difficult area of reclaiming legacy sites.

The Eden Project addressing England's Cornwall mining legacy was yet another case study demonstration of a shared responsibility across the industry, local community, and government, in rehabilitating an area that is severely depleted, both socio-economically and environmentally.

Along the same lines, I was really taken with what I heard in the ecology sessions.

Perhaps the most poignant point I can make is to recount that the one dimensional approach founded in environmental regulation for the conservation of endangered or low species richness biodiversity is fundamentally failing.

Contrast this with the holistic eco-systems approach which, in focussing on the species rich eco-system, is performing much better in conserving those species at risk.

It is not hard to draw parallels of the failure of this one dimensional approach elsewhere – most progressive environmentalists recognise that end of pipe remedies/regulation have failed in achieving the environmental improvements for which they were designed.

And, that the holistic systems approach driven by the power of the market is far more conducive to success.

In listening to all of this, I identified some essential ingredients – for the purposes of the summary, let me recap, and not in any order.

1. leadership
2. attitude – in terms of respect, listening, responsiveness and not just in communities, but also the workplace, and not just among like-minded, or like-occupied souls
 - a key message in the last three days, and I'll bet again tomorrow is think and consult outside the box but, if I may as I say to my own team, you've got to be able to bring the learnings back inside the box if you're going to make a difference and add real value
3. meaningful engagement – this follows from these points about attitude and builds on Ernesto Sirolli's quote "who the hell do you think you are to arrive uninvited and shut the hell up" – this goes to the key issue of what I referred to in my opening address as the "need to know factor" – what drives others to want, to need, to listen to us and then how do we know what to tell them if we haven't even listened to what they're asking – this is the fundamental plank of any effective extension strategy – it is a two way dialogue of equals starting with listening.
4. culture – a product of the first two but so critical to any enterprise which involves a gathering of people
5. understanding human behaviour – what drives it, what shapes it, what influences it, and what captures it
6. capacity building – in terms of the diversity of skills, gender and culture and the knowledge and understanding of how to build capacity – I was taken with the comment that education and intelligence are not always correlated – but I would add that an antidote to this is experience – and therefore I identified with the recurring theme - "experiential learning" – learning by experience, where review, revise, remedy or change were foundation.
7. moving beyond the compliance mentality of regulation – indeed, time and again, we heard of the limits of one dimensional regulation and the need to take the regulators into our world if they're not already with us.
8. don't over intellectualise the concepts of sustainability and their practice – this was a point that I think was trying to be made during the ESDAG debate, but kind of got confused in the argument about whether this was simple, or easy to do – I do not glean from that discussion that there was any contest of the extent of the challenges, but the wise counsel off the floor was don't over intellectualise it. Again, this point was made subsequently by Allan Savory that it is a complex system but does not need to be complicated.
9. intersection and integration – one of you kindly informed me that I had emphasised a new buzz word "intersection" which was, in his words "cute", given that I emphasised "integration" last year. Of course the point is quite profound in that we are talking about the intersection of public policy, sustainable development in a holistic systems sense, and the company's triple bottom line reported in economic, social and environmental terms – that's the critical intersection.
10. public reporting – the issue of knowing who you are reporting to and the specificity and relevance of reporting. The alignment here is with our work on Enduring Value in terms of engaging the community in the development of the metrics and then providing site level reporting which is attuned to community information needs, instead of the massive download of unnecessary information and the related debate about the currency of GRI reporting in the market.

11. agreement making – as a collective path for both industry and Indigenous peoples, recognising that as Mick Dodson said so well, reaching agreements is good for the company and the community, and it is also good for the country.

Which leads me to the way forward.

Aside of what individual companies will do, of course, in the generic, I picked up some key imperatives, some of which I have already touched on, but again for the purposes of summary will recap.

1. capacity building – particularly in social competencies in respect of community engagement, Indigenous relations and partnerships; but also community health – and that brings me to my second key imperative
2. health – the poor cousin of safety – this will be a major area of focus over the next twelve months
3. regulation and the regulator – engage with the regulators, don't wait for legislative or regulatory change – take the regulator with you and even learn from what and where are their boundaries and how you might expand their thinking to add value both ways
4. extension within and beyond our industry – within our industry in my view being the real imperative. We will do more for the reputation, standing and knock-on effects of what we do to the rest of society by doing the doing, more so than talking the talk
5. don't over intellectualise – recognise sustainable development for their complexity, but understand and practice the simplicity of their implementation where changes in human behaviour are key to success
6. increased economic consideration – it is ironic that in transcending the narrower dimensions of wealth generation we tend to take the economics for granted. Indeed, there is a risk of a fundamental leap of faith that what we are doing is economically justified. I suspect that we would benefit in our discussions from greater infusion of the rigorous discipline of economics.

This, notwithstanding the debate over the last three days about whether you can measure sustainability, whether that really matters as a lag indicator or whether, and I suggest to you that the real issue in measurement from a contribution to sustainable development, is the lead indicators that we consider form that resource base of sustainability that Allan Savory was referring to.

In this, we capture the appreciation of the concept of SD in inter-generational terms, more so than arguments about whether or not it is delivering benefits within generations. And the difficult issue of the division between the developed and developing world, debates about resource endowment, resource curse, Dutch disease, etc. All of which are critical issues to be factored into future considerations.

I'd like to acknowledge Christine Charles and the Conference Organising Committee for their efforts in putting together what I think has been a highly successful and valuable event:

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And finally, as I said the other night at our BHP Billiton Gala Dinner when I launched *Enduring Value*, I thought it was one of the more impressive pieces of generic public policy capacity building that I have seen.

And so it is appropriate that given this captures the essence of what we've been on about the last three days, and again tomorrow, before I hand back to the Conference Chair, I would like you to take four minutes to witness this video.

[*Enduring Value* video plays]

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