

# Digging deep for the future

The industry can make many positive contributions to host communities

**M**INING has long been considered a commercially viable pursuit for private investment. Currently, it is also seen as a positive industry that can greatly benefit local communities, including employment markets, economies and the environment.

Developing countries rich in natural resources have identified that creating a mining industry through private investment is a key opportunity for economic growth and reducing poverty.

To ensure economic growth, numerous countries have been reviewing their mining codes, which are implemented by national legislation and regulation to ensure that the host country benefits from the mine.

Underlying themes across all mining codes, such as the use of taxation, imposing an obligation to employ a certain percentage of local people and providing education and training, protect local communities.

Mining codes are becoming more and more stringent with regard to the contribution of companies to social and educational development.

Taxation is an effective way for host countries to benefit from mining, with royalties, corporate tax, rental charges, stamp duty, property taxes and other fees paid by mining-title holders to the government. These taxes ensure that countries in which mines operate benefit financially from the industry and that it contributes to local and national development.

## PROTECTING THE ENVIRONMENT

Environmental impact assessments are carried out as a prerequisite for obtaining an exploitation licence for a mine. When establishing a new mine, thorough assessments ensure that the development is beneficial to the short- and long-term needs of the community, as well as ensuring that the environment itself is not irreparably harmed.

Mining companies are often criticised for exploiting national resources and abandoning the landscape and community once the resources have been depleted. Environmental impact assessments stipulate that mining companies must formulate a management plan to ensure environmental and social rehabilitation after closure of the mine and provide details of how this will be funded.

Disused mines have been transformed into a range of successful projects, including a football stadium and film set. In the UK, the Eden Project in Cornwall illustrates how land can be used post-mine, with a

## BY LUCY HALL

conservation centre and gardens located on the site of a 170-year-old china clay quarry. Since opening in 2001, the Eden Project has rejuvenated the local economy, which had been in decline since the mining industry closed in that area.

## EDUCATION AND APPRENTICESHIPS

A mining code will often impose obligations on companies to employ a certain proportion of local people. To ensure that this can happen, firms are increasingly sponsoring higher-education programmes and developing job opportunities.

This gives young, promising graduates a chance to learn and practise important skills. Initiatives in the past include the Porgera Joint Venture mine in Papua New Guinea sponsoring people to finance their higher education and, in addition, providing experience through a graduate development programme to further knowledge and experience.

In Alaska, Cominco (now Teck Resources Ltd) set up an engineering scholarship programme to create opportunities for gifted local students to become well-equipped engineers. As well as offering traditional education schemes, many mining companies are also operating apprenticeships, both at the mine itself and at the supporting industries.

Misima Mines Ltd, a former gold mine in Papua New Guinea, had such an apprenticeship programme. This offered a similar qualification to a technical college certification in mechanical, secretarial and construction trades, with training in nursing, health and safety, mill operation and community health also provided. Training on book keeping, legal rights, village administration and community organisation were also offered to promote development across all levels of the community, from school children to adults keen to learn new skills.

Working closely with local businesses is also essential to ensure that the economy remains healthy. For example, Lonmin plc worked with the International Finance Corporation in South Africa to create a skills development programme for local suppliers and has awarded 305 contracts to 45 SMEs, generating US\$45.4 million and creating 330 local jobs.

Richards Bay Minerals, a mineral sand mining and processing operations leader, has set up a business advice centre in South Africa to train small business owners. It conducts programmes to promote

purchasing from small businesses and links entrepreneurs with larger partner businesses. In addition, it has worked closely with the Department of Education to make entrepreneurship training an accredited subject in the national school curricula.

This investment in education will benefit vast numbers of local people, having a long lasting, positive impact on the community.

## WOMEN IN MINING

Across the world, opportunities for women to work at mines are increasing. In South Africa, Lonmin has been working with the International Finance Corporation to create opportunities for women to pursue careers in its mine and thrive in the profession.

The company has set recruitment targets and induction training for women and has implemented key initiatives to retain female staff, such as safer placements for pregnant and breastfeeding women.

Some mining companies have followed the lead from studies that suggest women are more reliable workers as they take better care of machinery. This results in an increased life span for the equipment and saves costs for companies. A *Financial Times* report in July 2011 noted that Fresnillo plc, a Mexican silver producer, intended to employ more female truck drivers to save money on tyres and diesel because they drove in a more fuel-efficient manner.

The Cummins Engine Company has worked with the Cummins Foundation and the Rose Hulman Institute to employ more women at its plant in Pune, India. It also founded the Cummins Engineering College for Women, which has 1,000 students training to be engineers.

Educating women to perform in male-dominated careers is both enabling and culturally beneficial for the development of women's independence in these countries and provides a more balanced workforce.

## INVESTING IN PEOPLE

To ensure that mining has an increasingly important part to play in the world's energy production, managing human resources will be integral to the success of mining companies in this sector, and the wider communities in which they operate.

Ensuring that mining firms interact with their host country by contributing to their long-term economic, educational and environmental advancement, mining can have a beneficial and fundamental role in the advancement of developing countries.

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## DATES FOR YOUR DIARY

### JULY

July 23-25

**Water Management in Mining Summit**  
Denver, Colorado

The Water Management in Mining Summit will help you identify the essential efficiencies to be gained by using technical, procedural and best environmental practices in order to lower costs related to water usage and become an exemplary environmental steward.

**Contact:** info@iqpc.com

**Website:** www.watermanagementinmining.com

### SEPTEMBER

September 8

**The 3rd International Academic Consortium for Sustainable Cities Symposium**  
Near Bangkok, Thailand

An international symposium on the future of our cities, with a focus on urban planning/studies, public health and the environment – a multidisciplinary platform for practitioners and researchers in a range of sectors to learn, inform and interact.

**Contact:** info@iacsc2012.org

**Website:** www.iacsc2012.org