

Resource Development Perspective

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Capacity building in resource economies

The Aluminium industry is an acknowledged leader in resource development based on its performance at all levels of the sectors operations. This performance is driven by the industry's determination to continue to grow in the best possible manner using sustainable aluminium production principles as the basis of production.

The industry believes it has an obligation to share its expertise in established and new investments through mentoring, workshops, conferences, on ground demonstrations and trial projects. This approach is designed to improve the performance of existing and foster the capacity of new developments to perform at best practice levels across all aspects of operations from mining through to ingot production

Requirements for Resource Development

Major resource development requires:

- High mineralisation/large-medium resource base
- Transparent regulatory framework for investors/developers
- Security of tenure – linked to asset life
- Land access rights
- Internally consistent laws among the various levels of government.
- Strong and consistent regulations
- Stable tax regime that supports investment
- Finance available only when above criteria are in place

Expectations: Hosts and Developers

Host countries expect developers will:

- Recognise and respect host country aspirations –economic, environmental and social
- Build capacity in local economies – skills and infrastructure
- Adhere to global mining and investment principles

Developers expect host countries will provide:

- Transparent regulatory environment legal framework
- Risk shared with local partners in joint developments
- Returns commensurate with asset life
- Taxes, charges, royalties based on fair risk/reward principles

Host Country Aspirations: Capacity Building

Host countries want to build capacity in their communities through:

- A direct share in economic rewards – often requiring a local partner in projects
- Downstream processing to add value to their resources – e.g. bauxite refined into alumina
- Skills training and education – extended to highest levels in management
- Physical infrastructure shared with communities – e.g. energy supply, roads
- The physical environment protected and restored where practicable – not just in the project area, also in periphery, e.g. along transport routes

Capacity Building – how industry can help

- Capable front-line oversight is a building block in effective governance of the mining sector.
- Aluminium industry can provide guidance on compliance with its standards on safety, environmental performance regulations and operating conditions.
- Industry can share its regulatory experience with government agencies
- The industry is well placed to act as advisers to operations managers ensuring a cooperative approach to high performance.
- Industry mentoring
 - sharing real expertise by making available the resources of the industry through its global expert groups in the many areas of operation, including bauxite mining, land rehabilitation, positive residue management; alumina refining; health & safety; energy & environment; extended skills training and education

Principles for Mining and Investment

- Respect the rules and regulations of the host country
- Conduct business ethically, with sound systems of corporate governance
- Safeguard the health of workers & communities – safety is first priority
- Manage environmental impact at all stages of the project cycle, including eventual closure
- Implement risk management strategies based on valid data and sound science data (including operational and investment experience in a jurisdiction).
- Integrate sustainability principles and reporting into company policies and practices
- Seek continuous improvement in policy and practices to meet changes in the mine resource, the market and community expectations