

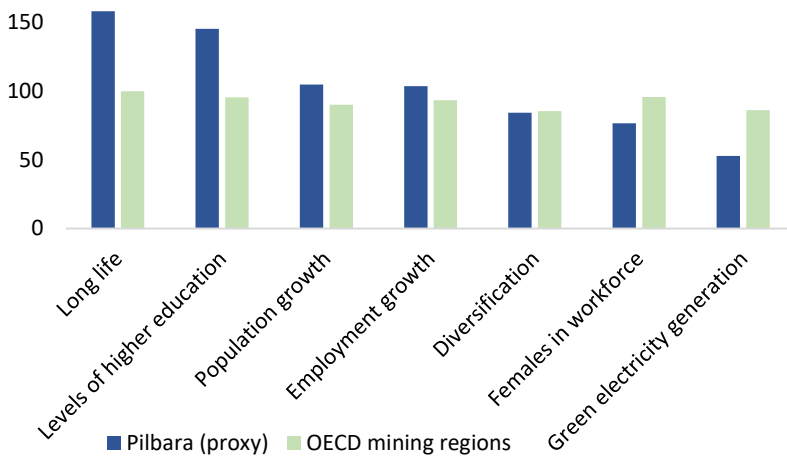
# OECD Mining Regions and Cities case of the Pilbara, Australia

The OECD's Mining Regions and Cities Initiative serves as a platform for improving knowledge on good practices that can facilitate greater well-being outcomes in mining regions, the dissemination of these practices, and the promotion of international standards.

The case study of the Pilbara offers guidance on how the region can shape a more inclusive and sustainable development model that supports economic diversification and prioritises improving the living conditions of its communities, particularly of First Nations people.

## The Pilbara at a glance...

### How the Pilbara performs against other OECD mining regions



Note: Long life refers to the death rate. Higher education refers to the share of tertiary education. Green electricity generation is the share of renewable energy per GWh of electricity generated. This data has been derived from data on the Western Australian desert as a proxy for the Pilbara region.

*The Pilbara performs well across long life, higher education, proportion of youth in the region, and employment growth. Yet, the region is falling behind in diversification, female representation in the workforce, and green electricity generation.*

### The Pilbara is a global leader in mining:

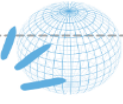

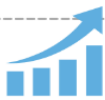



- **Iron ore:** Produced approximately 93% of Australia's iron ore and 28% of global production in 2018.
- **Lithium:** Fourth biggest lithium mine in the world, and the second and third largest lithium-producing mines in Australia.
- **Gold:** One of Australia's largest gold mines.

### The Pilbara has many regional strengths:

- 5<sup>th</sup> highest GDP per capita & 7<sup>th</sup> lowest unemployment rate across OECD mining regions.
- High potential for renewable energy.
- Population growth (0.7% 2010-20) higher than average OECD mining regions (0.2%)
- A unique natural ecosystem, with four National Parks- niche tourism experiences.

## Despite its mining wealth, the Pilbara faces well-being challenges...

### Some of the weaknesses for Pilbara's regional development include

<p><b>Economic diversification</b></p> <p>High reliance on iron ore production and few trade partners. High GDP volatility</p> 	<p><b>Inequality in gender balance and with First Nations</b></p> <p>Lack of labour opportunities for women (30 for every 100 men) and high inequality with First Nations communities</p> 	<p><b>Living cost and FIFO working model</b></p> <p>Highest price index in the state, with a high and growing share of FIFO workers (half other regional workforce)</p> 	<p><b>Affordable housing</b></p> <p>Residential vacancies below 1% in 2021, highest median sale price since 2015 and high cost of construction</p> 	<p><b>Services and inequality</b></p> <p>Limited access to quality childcare, healthcare, and education is prevalent (e.g., 42% school completion rate vs. WA's 50%). More so for First Nations.</p> 	<p><b>Climate and GHG emissions</b></p> <p>Hot and dry climate with significantly high greenhouse gas emissions (2 times the OECD mining regions average)</p> 
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## The OECD study identifies 16 recommendations across 4 pillars

**Pillar 1:** Enhancing development opportunities of First Nations people, through First Nations co-designed reforms

**Pillar 2:** Improving access and provision of housing and services in the Pilbara

**Pillar 3:** Diversifying the economy inside and outside the mining sector with a greater focus on green-related activities

**Pillar 4:** Establishing a coherent place-based strategy with a long-term vision for development

13. Support the organisation of a Pilbara First Nations Self-determination Summit
14. Tailor education services to First Nations' needs
15. Standardise First Nations procurement across industries and government
16. Establish a Pilbara First Nations Chamber of Commerce with a programme to facilitate access to capital
6. Attract and retain professionals to improve local service provision.
7. Improve the housing market with collaboration among various stakeholders
8. Set a task force to strengthen access to quality education and training
9. Better integrate FIFO workers to increase social cohesion and strengthen local communities
1. Facilitate projects on critical minerals co-developed with First Nations people and the industry
2. Promote renewable energy projects with the participation of First Nations communities and local businesses
3. Accelerate circular economy practices in the mining value chain
4. Promote a more sustainable mining sector including monitoring of environmental impacts and ecological stewardship by First Nations people.
5. Increase the support to local entrepreneurs, SMEs and social enterprises (in the energy and tourism sectors).
10. Create a coherent long-term vision for the Pilbara's development
11. Adopt a place-based development strategy with improved participation of local governments and First Nations people
12. Establish a formal co-ordination mechanism to implement and monitor development policies

## Best practice from OECD mining regions to help the Pilbara address development factors

Pillar 1	Pillar 2	Pillar 3	Pillar 4
<b>In California, US</b> , the Morongo Tribe became the first Native American majority owner of a renewable energy transmission project after an agreement with a private electric company enabled., facilitated by the state.	Multi-stakeholder taskforce in <b>Labrador West in Canada</b> raised funds from private and provincial sources to boost housing supply and establish housing information services. This reduced the housing deficit by 4% in its first year.	Public-private partnership in <b>Norrbotten in Sweden</b> has produced world's first fossil-free steel, with follow-on investments likely to bring thousands of jobs to the region.	The regional government of <b>Värmland</b> and Karlstad University in <b>Sweden</b> have partnered to develop the Academy for Smart Specialisation to increase capacity of regional governments and promote regional development.
<b>Ontario, Canada</b> has established postsecondary institutions, scholarships and apprenticeships that deliver training on upstream mining and energy activities to Indigenous students.	<b>Northern Sweden</b> has launched a USD 10 million project to attract new residents. Through the North Sweden Green Deal, 20 key regional actors, including municipalities, businesses and educational institutions work together to promote the territory, match foreign talent with jobs and improve childcare services.	In <b>Chile</b> , a new law requires companies that import mining tires to collect and recycle 25% of used tires. By 2027 this will increase to 75% and by 2030, 100%. There is currently a mining tire recycling facility in Antofagasta.	'Our Rural Future' is the <b>Irish</b> Government's blueprint for development of rural areas over the next five years with a focus on revitalising towns and villages through enhanced participation, public services, and resilience.
<b>Alberta, Canada</b> has boosted Indigenous businesses by providing loan guarantees to support their investments in natural resources, agriculture, telecommunications, and transportation.	The Yukon Hire Initiative introduced by the <b>Yukon government in Canada</b> provides incentives to increase the number of local workers with a 12% tax credit for eligible Yukon resident employees and training programs to companies that meet local hiring targets.	Deutsche Bahn, a <b>German</b> railway company has intrapreneurship programs to encourage employees to create their own businesses. This helps to foster new digital business models and encourage long-term cultural change.	<b>Antofagasta, Chile</b> created a <b>mining regional strategy</b> until 2050 with a focus on well-being, based on transversal agreements with different regional stakeholders. A governance mechanism -with Indigenous people and mining companies, among others- will monitor the strategy

See the full report:

