



8 October 2008

The Secretary
Senate Community Affairs Committee
PO Box 6100
Parliament House
Canberra ACT 2600



Dear Sir / Madam

RE: Federal and Northern Territory Government expenditure on Indigenous affairs and social services.

Thank you for inviting submissions to the above Community Affairs Committee report.

Xstrata Zinc Australia, through its McArthur River Mining (MRM) operations near Borroloola in the Northern Territory, has extensive programs to assist in the long-term positive development of the region.

In addition to our commitment, the good will and good work by many government, community and other industry stakeholders to create positive outcomes in our regions is widely acknowledged.

Our observation though, is the many stakeholders who are committed to improving remote regions are largely working independently of each other. The result is a scattergun use of resources that is simply not as effective as it should be.

Xstrata Zinc Australia's strong view is the net outcomes from current levels of government and private expenditure on Indigenous affairs would be exponentially greater if it was better coordinated and targeted through a single coherent plan for each region.

Please see attached for your reference recent correspondence to the Deputy Prime Minister proposing the Commonwealth fund a pilot Visionary Regional Plan for the Borroloola region. This Plan would identify and clearly articulate the long term vision for the region, and then guide existing expenditure and activities of all three tiers of government, as well as community and industry, to meet this vision.

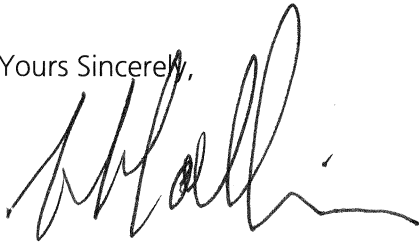
Mount Isa Mines Limited ABN 87 009 661 447

Level 37 Riverside Centre 123 Eagle Street Brisbane Queensland Australia 4000
GPO Box 1421 Brisbane Queensland Australia 4001

Tel +61 7 3295 7588 Fax +61 7 3295 7666 www.xstrata.com

We suggest this provides a template for other regions in the Northern Territory and around Australia to achieve significantly better socio-economic outcomes by better coordinating existing activities with a single plan.

Yours Sincerely,

A handwritten signature in black ink, appearing to read 'P. Collins', written over the 'Yours Sincerely,' text.

Patrick Collins
General Manager
Corporate Affairs and Community Relations
Xstrata Zinc Australia
Email: pcollins@xstratazinc.com.au
Mobile: 0423 842 334
Direct Dial: 07 3295 7588

Inc: Attachment 1: Letter to The Hon Julia Gillard MP, 22 September 200



22 September 2008

The Hon Julia Gillard MP
Deputy Prime Minister; Minister for Employment and Workplace Relations; Minister for Education;
Minister for Social Inclusion
PO Box 6022
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Minister

Transforming the regions: development of a visionary 'master regional plan'

Xstrata Zinc Australia, through its McArthur River Mining (MRM) operations near Borroloola in the Northern Territory, has extensive programs to assist in the long-term positive development of the region.

In addition to our commitment, the good will and good work by many government, community and other industry stakeholders to create positive outcomes in our regions is widely acknowledged.

Our observation though, is the many stakeholders who are committed to improving remote regions are largely working independently of each other. The result is a scattergun use of resources that is simply not as effective as it could be, as it should be or as it is required to be if real and sustained change is to be achieved.

In Borroloola for example, the community is seeking funding for capacity-building initiatives including drug and alcohol programs, family support programs, child and aged care, an aquaculture initiative, improved health services and a new bridge. Commonwealth and Territory agencies and local government are important service providers. MRM is investing significant funds in education, employment, health, art and culture, and sport programs, and is providing in-kind support to install a community swimming pool and help the Borroloola Community Education Centre submit grant applications for the Commonwealth's Trade Training Centres in Schools program and Indigenous Boarding House Partnership program. There are national initiatives that affect Borroloola such as the Australian Employment Covenant. And there are doubtless many other programs of which we are unaware. But none of this is being coordinated in a coherent and efficient manner. The result, not surprisingly, is incoherency and inefficiency.

The Minerals Council of Australia (MCA) Chief Executive Officer spoke of the frustration caused by this ad hoc delivery of initiatives in a recent address when he said the MCA and Federal Government MOU on Indigenous Employment and Education Facilitation "is struggling not because the objectives aren't

Mount Isa Mines Limited ABN 87 009 661 447

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sound ... but [because] it is floundering in a sea of bureaucratic complexity, poor resourcing both financially and in skills, the indeterminate nature of agreements, the lack of commitment to implementation and poor accountability."

Xstrata Zinc Australia's strong view is the net outcome of all this effort would be exponentially greater if it was better coordinated and targeted through a single coherent plan.

The creation of a visionary master regional plan would better channel the good work and good will of all stakeholders towards the same long term socio-economic and environmental goals.

We are convinced this initiative could be a catalyst for transforming our region, and the benefits of this pilot project could be repeated throughout Australia. Our commitment to making a lasting positive difference to our region is genuine, and the return on our community investments would be far greater if they were coordinated as part of visionary master regional plan.


Xstrata Zinc Australia has engaged with our peak body, the MCA, about this proposed initiative. I have attached this correspondence for your reference.

We are seeking the Commonwealth to take a leadership role in supporting and funding the development of a pilot master regional plan for the Northern Territory gulf region surrounding Borroloola.

The key steps we see to developing and implementing a plan are outlined in the attached letters.

In the first instance though, I would value your consideration and welcome the opportunity to discuss this further with you or your department.

Yours sincerely



Patrick Collins
General Manager
Corporate Affairs and Community Relations
Xstrata Zinc Australia
Email: pcollins@xstratazinc.com.au
Mobile: 0423 842 334
Direct Dial: 07 3295 7588

cc: The Hon Jenny Macklin MP
Minister for Families, Housing, Community Services and Indigenous Affairs
The Hon Martin Ferguson AM, MP
Minister for Resources and Energy, Minister for Tourism
Mr Mitchell Hooke
Chief Executive Officer, Minerals Council of Australia



28 August 2008

Mr Mitchell Hooke
Chief Executive Officer
Minerals Council of Australia
PO Box 4497
Kingston ACT 2604

Dear Mr Hooke

Transforming the regions: development of a visionary 'master regional plan'

Further to my letter to you dated 22 July 2008 regarding the development of what I have termed a coordinated 'master regional plan', I am writing to provide further elucidation of the issues raised in that correspondence to you.

Amongst other issues contained within the correspondence, the letter purported to seek funding from the Minerals Council of Australia (MCA) for what was being proposed within. This is not the case. The correspondence sought only to bring to the attention of the Council, Xstrata Zinc's strong view of the need for the development of a higher level 'master' visionary regional plan for the remote communities where we operate.

Xstrata Zinc is committed to assisting in the long-term positive development of the regions in which it has operations. We are also aware other resources companies are equally committed to supporting their own regions, and we think the minerals industry can be proud of the collective contribution it is making to sustainable development.

Because a major driver of improved regional sustainability is improved employment opportunities, Xstrata Zinc applauds the provision of short training courses and on-the-job mentoring proposed by the Australian Employment Covenant. For the same reason, and with the same gusto, Xstrata Zinc through its operation at McArthur River Mining (MRM) has been a strong supporter of and participant in the MCA and Australian Government Partnership to Deliver Training to Remote Indigenous Communities in the Northern Territory (the Partnership).

Separate to both of these initiatives, our MRM operation earlier this year developed a comprehensive Indigenous Employment and Training Strategy. A summary of this strategy is included at Attachment 1 to demonstrate we have recognised for some time the need for action in both the community and the workplace to achieve meaningful outcomes.

However, creating resource sector employment is only one part of the sustainability picture for remote regions.

Mount Isa Mines Limited ABN 87 009 661 447

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Tel +61 7 3295 7588 Fax +61 7 3295 7666 www.xstrata.com

There are broader socio-economic and also environmental goals our regions need to agree on and work towards to realise their potential.

As outlined in my letter to you of 22 July 2008, government, community and industry stakeholders are working hard to create positive outcomes, but we are all working independently of each other. The result is a scattergun approach that is simply not as effective as it could be, as it should be or as it is required to be.

Xstrata Zinc's strong view is the creation of a visionary master regional plan could be a catalyst for transforming Borroloola and the wider gulf region by better targeting the good work and good will of all stakeholders towards the same long term socio-economic and environmental goals. Moreover, this could serve as a pilot for other regions.

By way of example I have included at Attachment 2 an outline of what a visionary regional plan may look like, cutting across areas such as education and employment, community development, health, environment and culture/arts.

We do not intend to duplicate in any way the work of the Partnership through this initiative; indeed, we believe a high level strategic plan would strengthen the Partnership and its actions to improve training outcomes would to a large extent inform and be picked up in the 'education and employment' component of a visionary master regional plan for Borroloola.

However, work needs to be done beyond employment and education, and that is why the creation of a single master regional plan to coordinate stakeholder activity across other socio-economic and environmental initiatives is also needed.

Further, the master regional plan needs to be in place much quicker than the execution of the Partnership. The 2007 conversion of MRM from underground to open pit operations has created a unique window of opportunity to plan for lasting change to the Borroloola region, and this is driving the urgency with which we are seeking to develop an overarching master regional plan. The delivery of Partnership outcomes is behind schedule and implementation of its recommendations is not scheduled to begin at Borroloola until 2009/10. We think we have to move much faster than that to develop a shared vision of the region's future.

I should note we are also aware the Partnership is part of a broader MOU signed in June 2005. While there are similarities between our proposal and this MOU, again we think the development of a visionary regional plan will complement the work of this MOU – and will be delivered much more quickly.

The creation of a master regional plan will demand real cooperation between the three tiers of government, as well as the community and industry; it will need resources to be tightly focused towards tangible outcomes; and it will hold stakeholders accountable for delivering on actions within the plan. All of these are essential for the effective implementation of both the Partnership and the MOU.

Our goal is to activate the financial horsepower of the Commonwealth to fund this initiative as a logical, rapid and tangible extension to the Partnership and MOU.

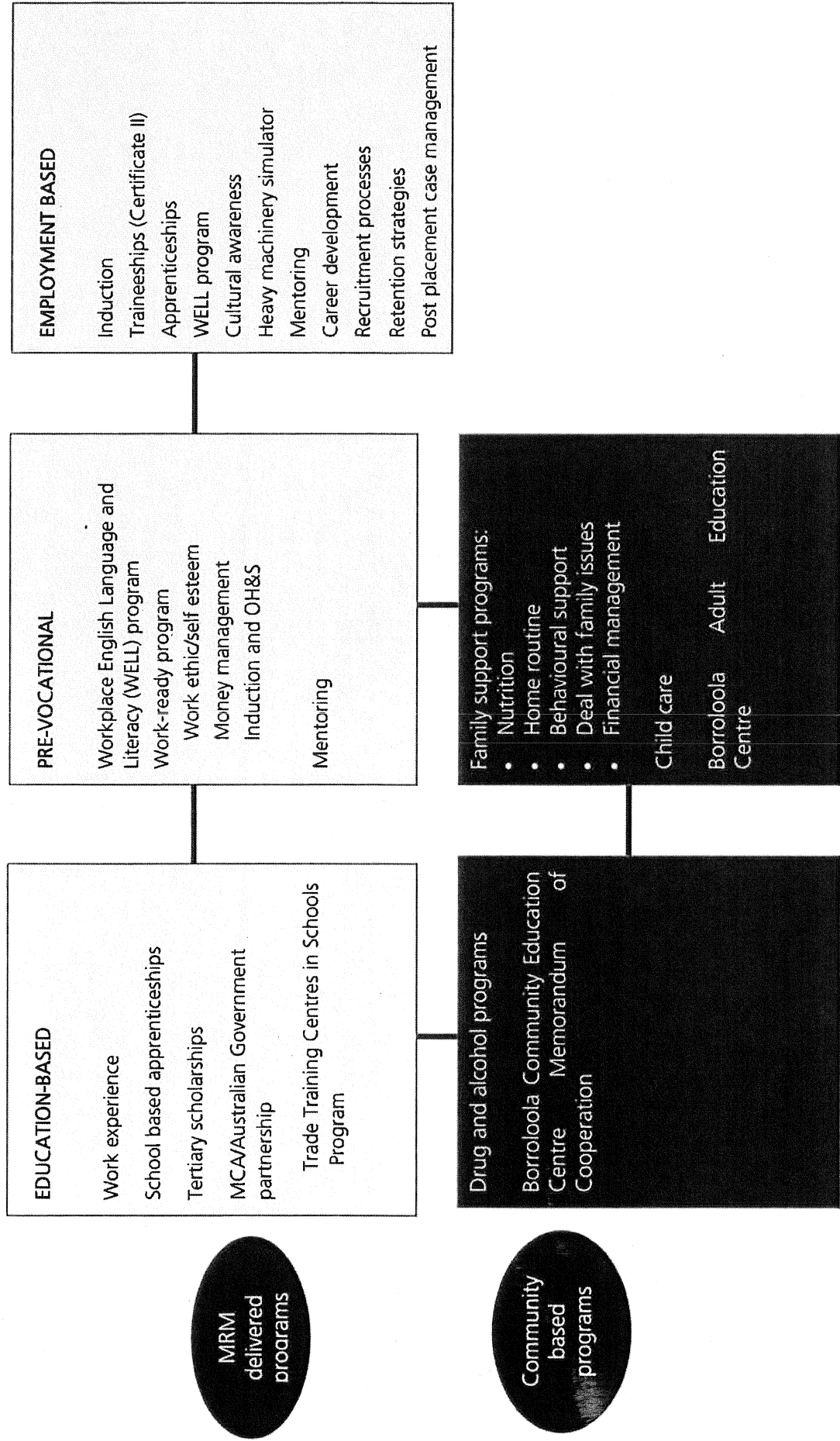
Thank you again for your consideration and I look forward to discussing this with you further, and securing MCA support for this initiative.

Yours sincerely

Patrick Collins
General Manager
Corporate Affairs and Community Relations
Xstrata Zinc Australia
Email: pcollins@xstratazinc.com.au
Mobile: 0423 842 334
Direct Dial: 07 3295 7588

Inc: Attachment 1: McArthur River Mining Indigenous Employment and Training Strategy
Attachment 2: DRAFT Borroloola 2030 Visionary Regional Plan

Attachment 1: McArthur River Mining Indigenous Employment and Training Strategy



Attachment 2: Borrooloola 2030 Visionary Regional Plan (DRAFT: FOR ILLUSTRATIVE PURPOSES ONLY)

Consult with community, industry, all tiers of government and other stakeholders to agree on a single unifying vision for the region by 2030.					
VISION	EDUCATION AND JOB CREATION	SOCIAL AND COMMUNITY DEVELOPMENT	HEALTH	ENVIRONMENT	CULTURE AND ART
<p>where does the region want to be?</p> <p>Focus areas: what areas does the region need to work in to achieve this vision? Eg:</p> <p>Baseline: Conduct research into where we stand in 2008 on these focus areas. Eg:</p> <ul style="list-style-type: none"> Literacy: very low Number of students graduating from Grade 10 and 12: very low School absenteeism: High Unemployment rate: very high Average weekly gross income: Low Main employer: CDEP 	<ul style="list-style-type: none"> Average cost of living: High Overcrowding in local homes: High Formal youth activities: Minimal Sense of community and town pride: Minimal Law - higher than average offences 	<ul style="list-style-type: none"> Access to affordable, healthy food: Low Drug and alcohol abuse: High Chronic diseases: rheumatic fever, hearing and eye problems, skin diseases 	<ul style="list-style-type: none"> Widespread cattle grazing on large pastoral properties Growing recreational fishing industry: 15,000 visitors in 2007 Three National Parks/Reserves 	<ul style="list-style-type: none"> Traditional hunting and gathering by language groups Generational understanding of Indigenous culture and traditions: Slowly being lost Three cultural / art attractions 	
<p>Goals: where do we need to be by 2030 in each of these areas to achieve our vision?</p>	<p>Consult with community, industry, all tiers of government and other stakeholders to set long-term and short-term goals for each focus area. Success of the regional plan will be regularly measured against these goals.</p>				
<p>Priority actions establishing the foundations: what do we need to do in the next three to five years to set the region on its path to achieving its vision?</p>	<p>Consult with community, industry, all tiers of government and other stakeholders to agree on the priority actions needed, and who will be responsible for delivering each of these actions.</p> <p>It may be that the majority of actions in the first years will be in laying down the foundations for education, employment, community development and health, and environmental and cultural actions will be funded in later years when these foundations are in place. A single plan ensures everyone understands some things have to be in place before other actions can commence.</p> <p><i>Actions from the Australian Employment Covenant and the MCA/Australian Government MOU fall within the Education and Job Creation area. These are crucial, but need to be seen (especially by the community) as one part of what is needed to make the region stronger.</i></p>				
Communicate the plan	Communicate the plan in clear language to the community and other stakeholders in a way that engages and motivates.				
Implement the plan	Regularly measure progress against goals, report regularly on progress to stakeholders and refine the plan.				



Mr Mitchell Hooke
Chief Executive
Minerals Council of Australia
PO Box 4497
Kingston ACT 2604

22 July 2008

Dear Mr Hooke

Transforming the regions: development of a visionary regional plan

McArthur River Mining (MRM) is committed to the long term social and economic development of the Northern Territory gulf region surrounding Borroloola.

As in many other remote regions, government, community and other industry stakeholders are also investing significant resources to produce positive outcomes for our community. This good will and good work is widely acknowledged.

Our observation though, is that the net outcome of all this effort could be exponentially greater if it was better coordinated and targeted.

Our strong view is that a single, coherent plan is needed to tie all the current disparate plans and actions together into a clear and consistent long-term vision. It would:

- Help government, community and industry clarify their funding priorities by providing a roadmap of what needs to be delivered, when, and by whom to allow the region to reach its potential
- Unite regional stakeholders to work together towards a common purpose
- Ultimately improve the ability of the region to be more resilient in the long-term.

More importantly, the Borroloola experience in creating this plan would serve as a pilot for the same process to be rolled out to other mining communities right across Australia.

The purpose of this letter is to seek Minerals Council of Australia (MCA) endorsement and funding for this pilot project, with a view to then seeking the same from government.



McArthur River Mining Pty Ltd
PO Box 36821, Winnellie NT 0821,
Australia
Tel +61 88975 8179
Fax +61 88975 8170
www.xstrata.com

ABN 90 008 167 815

Background

MRM has a comprehensive program of activity aimed at making a positive and lasting contribution to our region.

Our main focus is improving indigenous participation in our operations through employment, training and business opportunities. Part of this includes a strong partnership with Borroloola Community Education Centre (BCEC), whom we are currently supporting to install a swimming pool, submit a grant application for the Commonwealth's Trade Training Centres in Schools program, and gain support for an Indigenous Boarding House Partnership program grant.

We also work to improve the long-term resilience of the region through community capacity building initiatives such as our sponsorship program (which invested \$405,000 in 2007), championing community issues to government decision makers, and establishing with the Northern Territory Government the \$32 million MRM Community Benefits Trust.

Our experience and research in Borroloola has highlighted two profound truths:

- The most powerful positive catalyst for change in any community is to create jobs. MRM is concentrating its efforts on this outcome, although our contribution to broader community capacity building work is important and will continue
- MRM's commitment to create jobs must be coordinated with community and government action to address issues such as intergenerational cycles of unemployment, drug and alcohol abuse and poor school completion rates, which combine to create a barrier to sustained improvement in employment rates.

The linkages between industry, government and community in creating jobs are summarised below:

1. The ability of a community to realise its economic potential hinges on the creation of jobs within that community
2. The social issues which create barriers to long term employment must be addressed to maximise the workforce participation rate
3. The role of government and community is to provide the social infrastructure that addresses these barriers
4. The primary role of MRM, and other industry, is to provide genuine indigenous career pathways
5. Because the actions of government, community and industry to create employment are so tightly intertwined, the actions must be coordinated. If one stakeholder group does not meet its responsibilities, the entire effort will fail. Similarly, if the actions of one stakeholder group are not coordinated with those of others, the effort cannot be truly successful
6. Once a region has the building blocks of social infrastructure and committed local employers in place, transformational change can take place.

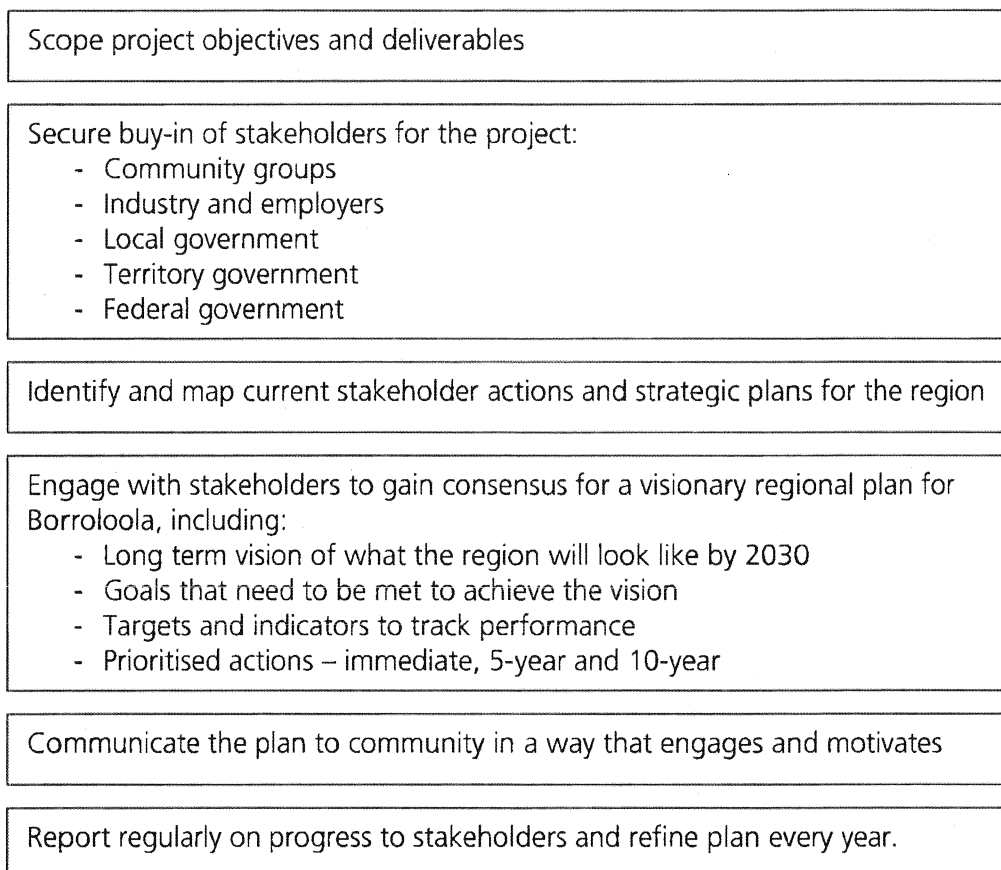
Clearly, achieving this change in practice will be a challenge on many levels.

But equally, it should be acknowledged there is a large amount of good work being done now and that government, community and industry share a deep determination to make a sustained improvement to our region.

Our strong view is that a clear and agreed regional plan setting out long term goals will provide the roadmap needed for effective short term actions. By having a single regional plan to coordinate the work of all stakeholders, we can indeed transform the region with real and lasting improvements.

Methodology

The following summary methodology is intended to act as a starting point for discussion with the MCA, government and community:



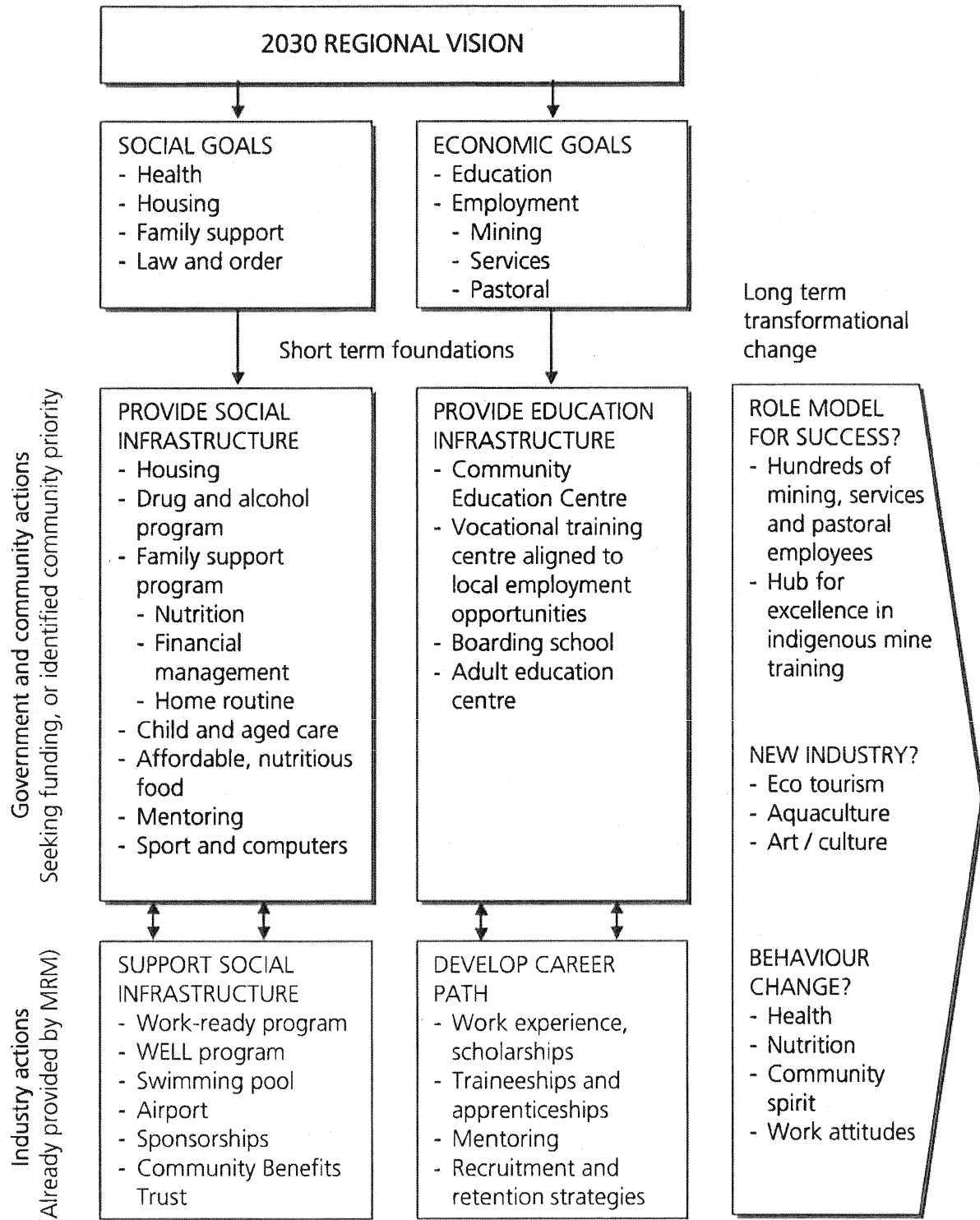
Output

On the following page is an illustration of what a visionary regional plan may look like.

This diagram is based on a summary of current MRM activity, as well as some priority activities that have been identified by the community but are currently seeking resourcing. There are doubtless many other initiatives of which we are unaware, which are being proposed at the community level by government agencies and need to be captured in this planning process.

However, this diagram shows that if long term regional goals are in place, a wide range of disparate actions can be logically grouped together as the steps needed achieve those goals. Key gaps can also be easily identified.

The next step of this planning document would be to prioritise the actions into an action program to provide a clear and common understanding of who is responsible for which actions, and the order in which they need to be delivered.



Action

MRM is convinced this initiative could be a catalyst for transforming our region, and that the benefits of this pilot project could be repeated throughout Australia.

Can I respectfully suggest one possible way forward from here is:

- Feedback from yourself as to whether the MCA gives in-principle support to this initiative
- MRM will then seek similar support from Commonwealth and Northern Territory Ministers and Local Government.

Given the significance of this project to our region, MRM is willing to coordinate MCA and government discussions on a methodology and avenues to secure funding to get this important project off the ground.

Thank you in advance for considering this request, and please do not hesitate to contact me for feedback or further discussion.

Yours sincerely

Patrick Collins
General Manager
Corporate Affairs and Community Relations
Xstrata Zinc Australia
Email: pcollins@xstratazinc.com.au
Mobile: 0423 842 334
Direct Dial: 07 3295 7588