

10 August 2018

The Hon Barnaby Joyce MP
Chair
House of Representatives Standing Committee on Industry, Innovation Science and Resources
Parliament House
CANBERRA ACT 2600

Dear Mr Joyce

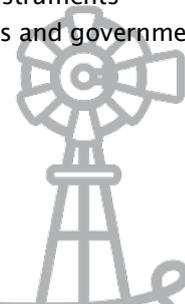
I am writing in regard to the Committee's current inquiry into how the mining sector can support businesses in regional economies.

The Regional Australia Institute (RAI) is in regular contact with regional leaders around Australia, and this topic remains one of keen interest to many, not just those in the Australia's big mining regions. State Governments too were looking closely at this issue during the last mining construction boom, and are still looking at ways in which they can secure the biggest local long term benefits from mining projects.

The RAI was established in 2012, and one of our early research projects in 2013 looked into this topic in some detail. I have attached a copy of our Regional Policy Briefing on the most effective local strategies that enable regions to capture long term benefits from resource investments. The Policy Briefing was written near the end of the last mining construction boom, but its recommendations and examples are still highly relevant.

The main success factors we identified that help businesses in regional communities benefit from mining are:

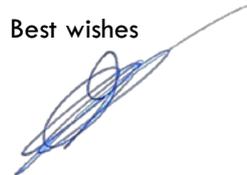
1. Ensuring that local governments and community groups establish local development strategies to maximise the potential benefits of resources projects and manage the inherent risks and uncertainties
2. Platforms for on-going communication between stakeholders to enable the negotiation of mutually beneficial outcomes for all parties – government can play a brokering or facilitating role here to address the market failure.
3. Delineation of clear roles and responsibilities for all stakeholders, including resource companies, local and state governments and members of the local community
4. Establishing funding arrangements (such as Royalties for Regions or similar programs) that provide regional and local communities with funds to understand and respond to issues as they emerge, and
5. Providing a supporting system of Community Benefits Agreements or similar instruments independent of EIA frameworks that ensure certainty for community, companies and governments.



While the capital investment and capacity building boom has passed, in the current climate most jurisdictions across Australia are now looking more closely at mechanisms to get more local benefit from the mining sector. New legislation has been written in Queensland and Western Australia designed to increase local impact by requiring that investors demonstrate local supplier relationships. While this primarily applies to public spending on capital works, the means and intention are there to push for similar requirements in approving private capital works. The aim is to support greater local jobs outcomes, and often local training outcomes and job/training outcomes specifically for indigenous people as well.

The RAI has a current nationally-endorsed research project looking into procurement processes across Australia, and how procurement is being used here and overseas as a tool to promote regional economic development. I would be pleased to provide you and the Committee with a copy of this work when it is finalized later this year.

Best wishes



Jack Archer
Chief Executive Officer

Attachment

