



Original Article

Ranger uranium mine and the *Mirarr* (Part 2), 2000–2014: ‘A risk to them is a risk to us’

Geordan Graetz*

Centre for Social Responsibility in Mining, Sustainable Minerals Institute, The University of Queensland, Brisbane, Australia

ARTICLE INFO

Article history:

Received 9 September 2014

Received in revised form 28 October 2014

Available online 15 November 2014

Keywords:

Ranger

Mirarr

Energy Resources of Australia

Gundjeihmi Aboriginal Corporation

Uranium mining

Rights

Risk

Social impacts

ABSTRACT

Reporting on data obtained from field research comprising interviews with key stakeholders, participant observation and shadowing of a senior member of the company's community relations team, this paper examines recent milestones in the relationship between Energy Resources of Australia, the operator of the Ranger uranium mine in Australia's Northern Territory, and *Mirarr*, the Traditional Owners of the lands on which the mine is located. Historically, this relationship was characterised by conflict and mistrust, with attendant negative social impacts and business risks, and perceptions of social risks. However, in the last 15 years, the mining company has adopted a changed approach to community engagement and actively has sought to respect and enable the rights of *Mirarr*. Using the lenses of human rights, social risk, business risk and social impact, the paper argues that the company's changed approach to engagement with its principal stakeholders has led to more positive and mutually beneficial development outcomes, a reduction in business risks, and the enabling of *Mirarr* rights. This paper constitutes the second of two papers charting the relationship over time between *Mirarr* and Energy Resources of Australia.

© 2014 Elsevier Ltd. All rights reserved.

1. Introduction

The Ranger uranium mine in Australia's Northern Territory has had a troubled history. For much of its life, and despite the best intentions of many stakeholders, Ranger has been synonymous with accusations of rights violations, mining companies ‘riding roughshod’ over First Peoples, Commonwealth government paternalism, the perceived destruction of sensitive ecosystems, and acrimonious public debates about Australia's role in the nuclear fuel cycle. While Ranger's troubles cannot be airbrushed from history, it now is important to acknowledge more recent developments in the life of the mine. Accordingly, this paper examines the evolution in the relationship between Ranger's operator, Energy Resources of Australia (ERA), and *Mirarr* Traditional Owners, represented by the Gundjeihmi Aboriginal Corporation (GAC), on whose lands the mine and the adjacent township of Jabiru are situated.

The current relationship between ERA and *Mirarr* stands in contrast to that of the 1970s, 80s and 90s; a period during which

relations at best could be described as ‘strained’ (Graetz, 2014). The company and community since have established more open channels for dialogue and engagement, and several joint initiatives, which have resulted in positive social, environmental, financial and reputational outcomes both for *Mirarr* and ERA, as well as a reduction in negative social impacts and business risks. The change in the tenor of the relationship owes much to Rio Tinto's acquisition of North Limited, which had a majority shareholding in ERA, in August 2000, and the increased attention on corporate community relations consistent with Rio Tinto's policies, standards and practices. Improvements in the relationship also are attributable to the modern management strategies and executive leadership of ERA and the GAC, and to learning the lessons of the past.

The paper reports on primary data gathered during the course of two field visits to Jabiru, the Ranger mine and Darwin in late 2013 for a period of one month. Fieldwork comprised interviews with 18 key stakeholders, shadowing of a senior member of ERA's community relations team, and participant observation. *Mirarr* views were obtained through the GAC via e-mail and telephone interviews, and the GAC has had an opportunity to read and comment on this paper. Other publicly available statements by GAC personnel and the Senior *Mirarr* Traditional Owner have been incorporated where appropriate. Respondents' names have been de-identified, with respondents being assigned a code based on the

* Correspondence to: Centre for Social Responsibility in Mining, Sustainable Minerals Institute, The University of Queensland, St Lucia, QLD 4072, Australia. Tel.: +61 7 3346 4005.

E-mail addresses: g.graetz@uq.edu.au, geordan.graetz@gmail.com

stakeholder group to which they belong. A more detailed account of the methodology can be found in part one (Graetz, 2014). Respondents have had the opportunity to review and comment on the paper.

The paper is organised in five sections. The present section outlines the aims and scope of the paper. The following section examines key milestones in the life of Ranger during the last 15 years. The third section charts the changing nature of the relationship between ERA and *Mirarr*, while in the fourth section the prism of rights, social risk, business risk and social impact is used as a theoretical lens through which recent developments are analysed. The utility of such an approach is discussed in Graetz and Franks (2013) and Graetz and Franks (2014). The paper argues that increased attention on the rights of *Mirarr* in recent years, owing to the influence of Rio Tinto's corporate policies and guidance notes, has resulted in closer engagement between ERA and *Mirarr*, more mutually beneficial outcomes, and a reduction in negative social impacts and business risks. Issues still arise, of course, but there now is willingness and a community relations framework to discuss and resolve concerns if and when they arise. The final section concludes the paper.

2. Milestones in Ranger's operational life, 2000–2014

2.1. Transition of ownership

In August 2000, the Rio Tinto Group acquired North Limited, ERA's parent company and a major Australian iron ore producer, assuming a 68.4 per cent holding in ERA (Mudd et al., 2007). Rio Tinto principally had been interested in North's strategically important Robe River iron ore project and other iron ore assets in the Pilbara region of Western Australia (RUM-ERA-4; Hooper, 2000); the Ranger mine and the adjacent Jabiluka uranium deposit were ancillary, yet consequential, acquisitions.

In purchasing North, Rio Tinto not only acquired a major shareholding in ERA and thus the Ranger asset, but also ERA's track record of poor stakeholder engagement and the continuing saga of Jabiluka, with the final decision as to whether to proceed with mining at Jabiluka not having been made prior to the transition of ownership. Accordingly:

Rio found itself mired in this whole issue around Jabiluka and uranium mining in the middle of a World Heritage Listed area, surrounded by a World Heritage Listed National Park, [which] was a huge conundrum for Rio; firstly, it was reputationally damaging, secondly, the relationship with the Aboriginal people didn't sit comfortably with Rio's approach to Aboriginal engagement (RUM-ERA-4).

Subsequent to Rio Tinto's purchase of North, ERA adopted a new, less confrontational corporate culture, which emphasised the need for the company to respect and enable the rights of the *Mirarr*, and brought ERA's community relations praxis in line with Rio Tinto's corporate policies and guidelines (RUM-ERA-4; RUM-JTC-3).¹ This had immediate, positive implications for ERA's engagement with its stakeholders.

The transition of ownership was not without unwanted social impacts, however. One such impact was the decision to abolish ERA's local Indigenous employment program, which had been tied to the Community Development Employment Projects initiative. At the time, about 30 per cent of ERA's workforce was Indigenous

(RUM-JTC-3), but by October 2013, employment of First Australians at Ranger had fallen to 16.1 per cent (RUM-ERA-6). It was the view of RUM-JTC-3 that the decision to abandon an otherwise successful program was based on a belief among Rio Tinto executives that the Alligator Rivers Region's First Peoples needed to be self-determining. In addition, it was expected that Indigenous workers would complete tertiary education before seeking or gaining employment at Ranger. According to RUM-JTC-3, this was a 'completely unrealistic' expectation, and the resulting social impacts were immediate and long lasting. There have been three attempts to revive the program; however, all have failed due to a lack of stakeholder commitment.

Notwithstanding improvements in the corporate culture of ERA, the relationship between the company and community was subject to peaks and troughs until 'two or three years ago' (RUM-JTC-3). While the GAC and *Mirarr* have taken their own steps towards a less fractious engagement, the thawing of relations owes a lot to the leadership of immediate past ERA Chief Executive Officer, Rob Atkinson, and the groundwork of his predecessor, Harry Kenyon-Slaney (RUM-JTC-3). Respondents credited Mr Atkinson with forging a new relationship with the GAC in particular (RUM-ERA-1; RUM-ERA-2; RUM-ERA-4; RUM-REG-1; RUM-REG-2; RUM-JTC-3). In the eyes of regulators interviewed for this research, Mr Atkinson was 'a very good leader' (RUM-REG-2), who 'has done the most to improve relationships' (RUM-REG-1). Recognising that 'running a mine isn't just about mining', Mr Atkinson was reported to have left the business of overseeing the day-to-day operations at Ranger to his senior operational staff in order to focus on the bigger picture issues of community relations, stakeholder engagement and strategic planning (RUM-ERA-2). When Mr Atkinson resigned his position as Chief Executive Officer in September 2013, his successor, Andrea Sutton, spent her first full week in the role meeting with representatives of every stakeholder group (RUM-ERA-2).

Owing to the influence of Rio Tinto, the adoption of its policies and guidelines, and the lessons of past practice, in 2013, the relationship between ERA and the *Mirarr* was said to be 'improved and improving' (RUM-ERA-2). Through the GAC, *Mirarr* echoed this assessment, saying, 'ERA's community engagement has improved in recent years' (RUM-GAC-1). However, the December 2013 leach tank failure (addressed below), which is the most recent in a series of incidents, likely will have detrimental implications for this relationship. Despite this significant setback, ERA has committed to prioritising stakeholder relationships, with respect for the rights of the *Mirarr* now paramount. Under Rio Tinto's influence, respondents drawn from within the company reported that ERA has sought to become more 'inclusive, open, honest and engaging' (RUM-ERA-2), and 'a far more conscious, ethical [and] responsible operation' (RUM-ERA-1).

2.2. The Jabiluka long-term care and maintenance agreement

Jabiluka was a source of contention between ERA and *Mirarr* for many years (RUM-JTC-2; O'Faircheallaigh, 2012). However, as reported by Mudd et al. (2007, 2), the change of ownership 'brought a new philosophy to the [Region], as Rio Tinto abandoned the forceful approach previously employed by North and implemented a policy of not mining Jabiluka until and unless the *Mirarr* Traditional Owners give their explicit consent.' In the view of *Mirarr*, 'In Rio Tinto GAC found an open corporate ear which was willing to work outside the bounds of existing constraints which at the time was very welcome' (RUM-GAC-1).

Unlike Ranger, which is subject to an Authority to mine under the Commonwealth *Atomic Energy Act 1953*, and which is oversighted by the Commonwealth Office of the Supervising Scientist, Jabiluka constitutes a normal mineral lease under Northern

¹ It is important to note the context of the rise of the corporate social responsibility paradigm, which underlies Rio Tinto's approach to community relations, and evolution in the extractive industries' understanding of social issues more broadly. On this point see: Crowson (1998), Wand and Wilkie (2001), Warhurst (2001), Harvey (2002, 2004), Kapelus (2002) and Howitt and Lawrence (2008).

Download English Version:

<https://daneshyari.com/en/article/1047526>

Download Persian Version:

<https://daneshyari.com/article/1047526>

[Daneshyari.com](https://daneshyari.com)