

Mining Certification Evaluation Project (MCEP)

Working Group Meeting 1

Thursday 19 December, 10am – 4pm

Hosted by BHP Billiton, 600 Bourke St, Melbourne

Present:

- Andrew Minns, Newmont
- Andrew Rouse, WWF
- Arthur Hood, Placer Dome
- Fiona Solomon, CSIRO
- Francis Grey, Sustainable Asset Management
- Gordon Drake, WMC Resources
- Ian Wood, BHP Billiton
- Margaret Donaldson, on behalf of Aboriginal and Torres Strait Islander Social Justice Commissioner, Human Rights and Equal Opportunity Commission
- Libby Rankin, PricewaterhouseCoopers
- Malcolm Forbes, Environment Australia
- Martha Macintyre, School of Social Anthropology, Geography and Environmental Studies, and the Centre for the Study of Health and Society, University of Melbourne
- Michael Rae, WWF
- Peter Colley, CFMEU
- Tim Offor, Offor Sharp and Associates (facilitator)

Apologies:

- Melanie Stutsel, Minerals Council of Australia

Summary of Discussion

1. Welcome, introductions and discussion of interest in the project.

- Interests of participants included:
 - social monitoring and social impact assessment;
 - improving environmental and social performance of mining;
 - providing safeguards and participation for Indigenous people;
 - voluntary initiatives for natural resource management;
 - assurance and accountability
 - sustainable development and labour participation
 - measuring performance
 - multi-stakeholder processes
 - certification as market driver

2. Introduction to the MCEP.

- Presentations by Michael and Arthur. (Michael's Powerpoint presentation is available on request.)

Discussion:

- The MCEP will explore issues and options for governance of any certification scheme.
- Discussion of the boundaries of what is to be certified, and the definition of “mine site”. Issues raised included:
 - in what circumstances mineral processing activities would be included;
 - where company has controlling authority over site, but there are complex ownership and operating responsibilities;
 - whether exploration is to be included;
 - major vs minor mining companies;
 - capabilities of certifying complex chemical processing;
 - definition could include a temporal dimension (ie stages of the production process) as well as a spatial dimension.
- Suggestion that the outcomes of the project will probably fall short of the collective ideals of the participants, but this should be expected from the start. It is unlikely that the Working Group will converge on 100% agreement.
- Discussing principles is a top-down approach, where starting from on-site issues is a bottom up approach. Want to ensure that real site issues are certified.
- Cumulative impacts may be the issue, even though a particular site may be well managed.
- A quest for scientific accuracy is unlikely to resolve environmental disputes. Discussion of experience of the Federal Resource Assessment Commission (1989-1992), where major inquiries into sites/issues attempted to get the ‘facts’ on environmental disputes. Many stakeholders were not convinced by the science.
- Issue of ‘fig leaf certification’, whereby a company seeks to trade unfairly by promoting a small flagship site to draw attention away from the rest of its poorer performing business. In the FSC, there is a requirement for a company to commit to certifying other sites over a ‘reasonable time’.

Actions:

- 2.1 *Further discussion of definition of mine site needed. This will be included on agenda of future meeting. (Project team)*

3. Forming the Working Group (WG)

- Presentation by Fiona. (Powerpoint presentation available on request).
- Discussion of draft Terms of Reference

Discussion:

- It was agreed that the WG would operate according to the Chatham House Rule, that is, that people could speak freely and openly around the table, that issues raised around the table may be discussed outside the group, but without attribution to individuals.
- That the discussion papers produced for the MCEP will flag areas where agreement can’t be reached.
- Explore expanding the membership of the WG to include a local community/local government perspective. The Hunter Valley may be a suitable region.

- The project team is currently seeking an additional WG participant from a human rights/development NGO.
- The day to day regulator of the mining industry is the states, not Commonwealth.
- Since the next phase after the MCEP will need international dialogue and stakeholder engagement, suggestion that some key people are brought into the MCEP towards the end of the project. This may be done via presentations/publication, though something more formal could be useful.
- It was noted that to ‘represent their organisation’s and/or individual views’ may represent a tension or artificial divide.
- Question of ‘who is in charge’ of the project, who has responsibility for decisions. WWF do not see it as ‘their’ project. MCEP to be described as a ‘joint R&D exercise with participation from [...]’, where [...] could be sectors, organisations or individuals.
- Suggestion that if all organisations’ logos were associated with the outcomes, this would strengthen the ability to move forward into the next phase to operationalise certification ideas.
- Selection of mine sites for field trials to be discussed by the Working Group, though some companies may have already selected their sites via an internal process. Consultation with local and/or Indigenous communities to explore whether they would participate in a certification trial could contribute to selection process.
- Field trials need to be sensitive to sites and site managers, around issues such as number of people on site, time on site, resources required etc.
- Minutes of WG meetings should not be a narrative, and in accordance with Chatham House Rule not attribute comments to individuals (except Action items). Notes of meetings will include the substance of discussions, the range of views, and the outcomes of deliberations.
- MCEP aims to be as transparent as possible. Notes of WG meetings will be available on the MCEP website.
- Drafts will be circulated for comment before being made publicly available. Two weeks will be allowed for comment. A nil response will mean acceptance.
- The decision making process of the WG will be by consensus, where possible. If there is no consensus, the points of difference will be documented, and several options may be accommodated, for example to try two approaches in field trials.
- Reference to ‘significant decisions’ in the TOR refer to deciding to end the project because, for example, consensus proved impossible.
- It is likely to be difficult to reach agreement on standards. Suggest developing criteria to guide the WG, eg reasonableness, cost, and others.

Actions:

- 3.1 *Circulate a copy of the Chatham House Rule to the WG. (Gordon Drake)*
- 3.2 *Suggestions for individuals from the local government perspective to be submitted to the project team. (Ian Wood and Peter Colley)*
- 3.3 *Ensure state regulators are included on the Contact List for the project. Contacts to be submitted to the project team. (Malcolm Forbes)*

- 3.4 *Each WG participant to advise the project team how they wish to be described (their affiliation) and organisation's policy on use of logos on documents etc. (All)*
- 3.5 *Prepare a one page describing 'ownership' of the project. This could be incorporated into the project 'Fact Sheet'. (Project team)*
- 3.6 *Discussion of site selection for field trials should occur early to allow some iteration. (Project team)*
- 3.7 *Edit and finalise draft Terms of Reference based on discussion. (Project team)*
- 3.8 *Discussion of criteria for developing standards on the agenda for WG Meeting 3. (Project team)*

4. Developing Principles

- Preamble by Michael, discussing FSC experience as an example. Introduces FSC model of 'principles', 'criteria' (to elucidate the principles), and 'standards'. Note that FSC system was an iterative process from the start, and many principles, criteria and standards have changed over the life of the FSC. Mining even more complicated than forestry.
- Roundtable discussion of respective interests and values of WG participants.

Discussion:

- Terminology of 'principles', 'standards' can differ from what is used in companies and other contexts, may be confusing.

Why MCEP is of interest:

- To improve performance
- Credibility
- Reputation value
- License to operate in future
- Incentives to go beyond compliance – market based mechanism
- Mustn't be seen as static, need continual improvement
- Human rights perspective in the way economic development takes place
- Interested in voluntary initiatives to improve NRM
- Integration of environmental/social initiatives into mainstream business
- Issue of accountability, lack of standard has been a gap, governance area is key
- Critical the MCEP is linked to other assurance initiatives
- Empower people to have greater control over their lives in the workplace
- SD a long term factor for success
- Sector is judged on the worst performers
- Incentives can drive industry performance – internally and sector wide – and raise the bar
- A lot of consumers would like to know a product was put together properly
- A huge amount of potential benefit on the producer side
- Identify whether this project is about what is 'good', 'best' or 'what we want': and it could be moving through these in stages.
- Want to certify the outcome, not practice/process
- Looking for tangible benefit/competitive advantage
- Run the risk that certification becomes the ceiling for performance

“Hot buttons” of themes (in Options Paper 1, p6)

- Governance overlap with ISO14001 and management systems: where does certification sit?
- Should economic have as much ‘status’?
- Governance is critical – possibly a bit too much ISO14001 type issues. Should focus on accountability, concentration of power.
- Workers rights – broaden understanding and respect for human rights in the workplace.
- A lot of responsibilities on government in some.
- Excellent overview.
- Mining in protected areas.
- Delineate between company/government responsibilities.
- Women, gender and country issues
- Internalising social and environmental externalities: make a business case
- Social assessment will be difficult in areas where there is insufficient data collection and baseline
- View the quadrants from a risk management perspective
- Need to focus on outcomes, but may need flexibility on standards
- Absence of OH&S as explicit item (separate from human health).

Actions:

- 4.1 *Circulate a worked example from the FSC of principles, criteria and standard, and the interim FSC standard for Hancocks forests in Victoria. (Project team)*
- 4.2 *Circulate other examples of principles, codes to project team/Working Group. (All)*
- 4.3 *Project team to develop first draft of principles for discussion at next WG meeting. (Project team)*

5. Communication

- Presentation by Andrew Rouse:
 - A website is being established to be hosted initially by CSIRO while the WWF Australia website is undergoing review. Can include no or all participating organisations’ logos. Its main function will be to provide general access to electronic documents.
 - Possibility of a project launch. A draft press release will be circulated to the WG for comment and could be released in January 2003.
 - Project Update (‘The Canary’) will be prepared quarterly and circulated to Contact List for project. It will be circulated among the WG in advance for comment.
 - Project Management Matrix prepared to specify the various project responsibilities among the Project Team, Working Group and Management Committee.
- Discussion:

- Project team to prepare 5 dot points to convey for interviews, eg R&D project; Working Group participants invited because of expertise; Still early stages but fruitful discussions; Come back in eighteen months.
- Michael Rae voted as chair of the Working Group.
- Website to be ready before press release.
- The project team can provide resources / standard presentations for WG participants to present in various forums.

Actions:

5.1 *Circulate draft 'The Canary' to Working Group for comment (Project team)*

5.2 *Circulate draft 'launch' press release to Working Group, and interview dot points (Project team)*

Close.