

Mining Certification Evaluation Project (MCEP)
Working Group Meeting 6

Thursday 11 December, 2003: 10am-3pm
WMC Resources, IBM Centre, Southgate

Participants:

Andrew Minns, Newmont
Andrew Rouse, WWF
Fiona Solomon, CSIRO
Francis Grey, Sustainable Asset Management
Ian Wood, BHP Billiton
James Ensor, Oxfam Community Aid Abroad
Kristina Ringwood, Rio Tinto
Libby Rankin, PricewaterhouseCoopers
Malcolm Forbes, Australian Government Department of the Environment and Heritage
Martha Macintyre, University of Melbourne
Martin Webb, WMC Resources
Melanie Stutsel, Minerals Council of Australia
Michael Rae, WWF
Nick Currey, Placer Dome
Tim Offor, Offor Sharp and Associates (facilitator)

Guests:

Sam Brumale, Brumale Consulting Pty Ltd

Apologies:

Margaret Donaldson, on behalf of Aboriginal and Torres Strait Islander Social Justice Commissioner
Peter Colley, Construction Forestry Mining and Energy Union

Acronyms:

MCEP = Mining Certification Evaluation Project

WG = Working Group

FIFO = Fly In Fly Out. Employees commute to a mine site by air, usually from a larger town or city centre, to work rosters of usually a week or more.

FSC = Forest Stewardship Council

Summary of main points of discussion

1. Welcome and Aims of Meeting

(a) Aim of meeting to discuss the MCEP field trials, local consultations and the process going forward.

2. MCEP Update and Introduction to Stage 2

Working Paper 1:

- (a) Working Paper 1 was circulated to the project's contact list on 24 November, 2003. The project team congratulates the Working Group on their contributions and collective work.
- (b) Two months have been allowed for public comment on this paper, due 24 Jan 2004. Feedback will be taken into account in finalising the document.
- (c) Limited feedback to date has been of interest and enthusiasm, with many new requests for copies of the document. Not much substantive comment to the project team on the concepts at this stage.
- (d) Some members of the Working Group have had informal feedback that the criteria appear to be Australian-centric. This is an important issue which needs attention in the finalisation of the draft. The Working Group encourage feedback to be submitted to the project team on this.
- (e) Working Group members will advise the project team of relevant forums coming up where the MCEP could be presented and discussed.

Press release:

- (f) A press release on the Working Paper has been drafted and circulated for comment among the Working Group. Emailed input and discussion at the meeting will be integrated in a final version.
- (g) It was agreed that Michael Rae and Fiona Solomon would be initial contacts for media interest. A list of Working Group members will be appended to the release and contact details will be given on request.

WG membership and project staffing:

- (h) Libby Rankin advised that she wished to step down from the WG to reflect changing job responsibilities, and nominated a replacement from PricewaterhouseCoopers, Nick Chipman. The Working Group agreed to this nomination.
- (i) Fiona Solomon indicated that she will be taking one year's maternity leave from February 6, 2004. She intends to continue her participation in the Working Group via meetings and comment on documents. WWF are seeking a replacement for her role in the project team and are exploring several candidates.

Intro to stage 2 of MCEP: field trials

- (j) The aims of this stage are to:
 - Identify options for assessing performance against the principles and criteria
 - Conduct field trials at a number of mines sites
 - Review these in Working Paper 2
- (k) Research questions:
 - Do principles and criteria meet local stakeholder expectations and a site 'reality test'?
 - Can an assessment process be developed that can adapt to local conditions and expectations, and is cost-effective and practical?

3. Development of an auditing protocol

- a) Sam Brumale of Brumale Consulting has been commissioned to develop an auditing protocol for use in the field trials. Sam gave a presentation during the meeting that

discussed some of the options and potential design features. Key points of WG discussion included:

b) Relating to the MCEP field trials:

- The purpose of the protocol is to prompt the judgement of the audit team via a series of checks, questions or guidance. A 'cookbook' approach to assessment would not work.
- Compliance v sampling: need to sample or will be there forever. An experienced auditor knows when sufficient evidence has been sighted.
- Experienced functional experts will be required as part of the audit team to provide specialist judgment on the different aspects of the criteria.
- Some of the criteria require an information audit, which may need to be checked or triangulated if has been collected by the company. Difference between evidence based and perception based assessment (eg to deal with the issue if the company says something is well handled, and the community says it is not). Expert judgment can be interpreted as opinion by those against whom a judgment is made.
- Sam can choose to develop the draft audit protocol in stages so WG can comment initially on architecture and approach.
- Sites will need to know in advance what is required from them for the trials, for example through copy of Working Paper 1 and audit protocol.
- Stakeholders can be invited to participate as observers in the field trials.

c) Relating to considerations for a functioning certification scheme:

- The audit process needs to be manageable and low cost.
- The audit protocol will be developed for the trials as a paper based system, but in a certification scheme it would probably be more useful as an electronic database.
- Comparability of the assessment is important, but will be difficult for social aspects of the criteria. As the social context will vary across sites globally, either an audit protocol will be over-generalised and abstract, or there is a need for a different protocol for different contexts. Different regional protocols, particularly for social issues, could be an appropriate way to address this.
- With regards to a possible scoring system, the qualitative meaning of the 'score' (eg leadership, or adequate performance) is probably more important. A risk-based approach to scoring won't always be applicable. Some criteria are of a pass-fail nature, but not many. Some criteria if not addressed/fulfilled could be fatal for the whole assessment because they are critical to the reputation of a certification scheme.
- Discussion about evidence based vs perception based assessments highlights the importance of an appeals process within a certification scheme – part of the discussion on governance later in the project.
- Options for how long a mine site would be granted certification for, and the frequency of surveillance audits etc, will also be part of the discussion on governance later in the MCEP.
- Identifying of stakeholders only by the mine in the context of an assessment can be problematic. In the field trials, it is likely that this will mostly be the case. In a certification scheme, certifiers would play a much stronger role (as in the FSC, for example).

4. General feedback on draft concepts for MCEP trials

- a) A draft scope for the field trials was circulated to the Working Group in advance of the meeting and discussed. It will be revised in light of the discussion.
- b) The field trials will place an emphasis on research and learning.
- c) Field trials should carry out an audit as well as assess/test the model. Note that this is likely to take longer as the MCEP and the audit team will be learning about the system and refining as go along.
- d) Site trials are flagged to be carried out during the period April 2004 – September 2004.
- e) Each site trial to be completed in 5 days (include half-day at front for welcomes and inductions, 1 day for reporting at end).
- f) Audit team of around 5 people including a lead auditor.
- g) Lead auditor needs to:
 - Be capable of leading audit across environmental, social, safety areas.
 - Be available to lead audit trials at all sites, for consistency.
 - Make time available at end of trials to download learning to MCEP.
- h) Auditing team: companies to provide independently trained internal auditors as a potential pool for the audit team. Team will be selected to create a mix of skills and background appropriate for each site trial. Auditors from different companies will be part of the team in each site trial.
 - Help keep costs down
 - Experience auditing mine sites
 - Enhance in-house learning
 - Opportunity to benchmark across sites/companies
- i) Note that this arrangement for field trials in MCEP only and company auditors would not be considered appropriate for an independent certification scheme.
- j) Propose that:
 - Two trials are carried out initially;
 - Review this experience at WG meeting;
 - Carry out remaining three trials;
 - Review with WG and lead auditor;
 - Prepare Working Paper 2 to report on field trials stage.
- k) A report on the trial will be provided to the site and stakeholder participants/observers during debrief on final day (as well as their feedback sought).

5. Selection of mine sites for MCEP trials

The following potential mine sites were shortlisted for the field trials.

Potential site	Features	Other
Granny Smith (Placer Dome)	<ul style="list-style-type: none">- Western Australia- Gold- FIFO- Mt Margaret Aboriginal community nearby	Would families of FIFO workers (eg in Perth) be contacted as part of the audit? Local and state NGOs could

	<ul style="list-style-type: none"> - Town of Laverton nearby - Good program of stakeholder engagement - Voluntary membership of unions - Semi-arid rangelands 	be invited as observers.
Tanami (Newmont)	<ul style="list-style-type: none"> - Northern Territory - Gold - FIFO - Close engagement with Central Land Council (Aboriginal native title) - Engaging with stakeholders - Non-union site - Site interested in MCEP 	Could run trial in parallel with Newmont's 5-star audit.
Cannington (BHP Billiton)	<ul style="list-style-type: none"> - Queensland - Lead/silver - FIFO - Pastoralists and Aboriginal stakeholders - High engagement via external advisory panel - Unionised site 	
Coal and Allied (Rio Tinto) – NB: to be confirmed	<ul style="list-style-type: none"> - New South Wales - Coal - Not FIFO - Hunter Valley – established rural and pastoral communities - Very enthusiastic site contact - Effective with local communities and farmers - Non-union 	Agreement of site to participate yet to be confirmed. Do not cite inclusion as yet.
Stawell (MPI, ex-WMC site) – NB: to be confirmed	<ul style="list-style-type: none"> - Victoria - Gold - Not FIFO - Small company - Mining under residential community - Some history of conflict with community groups - Unions on site 	Several WG members to approach MPI and discuss site being part of MCEP trials. WMC to carry costs of audit.

Discussion:

- a) Sample has some limitations. Three out of five potential sites are FIFO: perhaps more typical in Australia than internationally. However BHP Billiton noted that around half their sites globally are FIFO. Also three out of five sites are gold.
- b) Recognise limits of sample, but this speaks to the need for more testing in the future as part of the extension of MCEP outcomes.

6. Actions

- a) *Project team to finalise press release and circulate to Working Group members, who may elect to also include it on their websites. A copy to also be sent to ICMM.*
- b) *Working Group should direct any further comments on the development of the audit protocol to Sam Brumale (cc Fiona Solomon).*
- c) *Sam Brumale to prepare draft audit protocol (paper-based version) and circulate to Working Group for comment in late January/early February 2004.*
- d) *Project team to schedule dates with approximate blocks of time for field trials and associated tasks, in consultation with site availability.*
- e) *Project team to prepare WG Meeting Calendar with dates for 2004 and circulate.*
- f) *Project team to revise Field Trials Scope based on discussion at this meeting.*
- g) *Mining company WG participants to submit names of potential auditors for audit team to project team by mid-January 2004.*
- h) *Mining company WG participants to confirm sites' willingness to participate in field trials and advise project team of range of possible dates which suit those sites.*

7. Next meeting/s

- a) Thursday 19 February, 2004: Finalise details of field trials and discuss audit protocol.