



## **Minerals West Coast Trust General Meeting**

**4:00 pm 23 September  
Development West Coast Meeting Room  
First Floor  
112 Mackay Street  
Greymouth.**

### **Agenda.**

- 1. Welcome**
- 2. Apologies**
- 3. Call for agenda items**
- 4. Environmental Best Practice Guidelines**
- 5. Accidental Discovery of Pounamu Protocol**
- 6. Industry Issues**
- 7. The West Coast Minerals Resource Assessment**
- 8. Bonds and Bonding**
- 9. Mining Heritage**
- 10. Guest Speaker**

**John Taylor**

Preserving and promoting our mining heritage at the Banbury Mine.

### **4. Environmental Best Practice Guidelines**

#### **Background**

The development and maintenance of the environmental plan is now a key component of any mining operation.

The larger companies are well resourced and in many cases West Coast operations are internationally recognised for their achievements.

Many of the small to medium operations struggle to allocate the resource required to develop and manage a sound environmental plan and its implementation from scratch.

The Department of Conservation now requires applications for access agreements to be complete to enable them to determine the effects on the environment. No longer can mining companies expect the department to write the environmental plans for their operations.

This has provided Minerals West Coast with the opportunity to facilitate the development of a resource kit to designed to assist mining companies meet their environmental commitments in our challenging West Coast environment.

There are available in other parts of the world some excellent documents and tools that could be adopted and supplemented with;

1. West Coast case studies and examples of what works and best practice
2. a range of risk assessment tools suitable for evaluating environmental risks

The International Council on Mining and Metals has developed the “Good Practice Guidance for mining and biodiversity” document which could be suitable for adoption as the base document. <http://www.icmm.com/page/1182/good-practice-guidance-for-mining-and-biodiversity>

#### **Recommendations:**

1. A sub committee be formed to lead work on an ‘Environmental Best Practice Guide’ for the West Coast.
2. A West Coast Environmental Best Practice Guideline be developed.

### **5. Accidental Discovery of Pounamu Protocol**

The Te Runanga o Ngai Tahu Act of 1996 amongst other things places the ownership of all in-ground pounamu with Te Runanga o Ngai Tahu.

Te Runanga o Ngai Tahu has developed a Pounamu Resource Management Plan, which is supported by the Pounamu Management Plans of the two local Kaitiaki

- Te Runanga o Ngati Waewae and
- Te Runanga o Makaawhio

These plans have been in place for a number of years and they identify a protocol for dealing with the accidental discovery of pounamu during mining operations.

Although the protocol is in place there is no agreed procedure that identifies who the mining company should contact when pounamu is discovered and what compensation the miner could expect for the cost of recovery of the pounamu and handling of it

In the absence of the detail of the protocol the mining operations are simply reburying the stone as its discovery as it is potentially more troublesome than its worth.

There have been unsubstantiated rumors of mining personnel illegally removing stone from the mining site and selling it on the black market.

This represents a significant risk to any mining operation that could accidentally discover pounamu during their mining operations.

Minerals West Coast has been working with Te Runanga o Makaawhio on the development of agreed procedures and recovery rates for the accidental discovery of pounamu during mining operations.

The final agreement is likely to be very straightforward and include contact details of people authorised to collect the stone, a receipting system and an agreed percentage of the eventual sale price going back to the mining company to compensate them for the cost of recovery.

A basic agreement has been discussed and agreed to in principle with Te Runanga o Makaawhio. This agreement now needs to be confirmed as acceptable to the other Kaitiaki, Te Runanga o Ngati Waewae.

### **Recommendation**

Minerals West Coast continues to work on the establishment of agreed procedures and recovery rates for the accidental discovery of pounamu.

## **6. Industry Issues**

### **Background**

It has been mentioned on a number of occasions that there could be considerable advantage in the West Coast mining companies working together.

Items mentioned to date include:

- Bulk buying powers
- The development of a minerals education strategy.

Discussion

## **7. The West Coast Minerals Resource Assessment**

The final document is due for completion by late November.

Tenders have been called for the aeromagnetic survey work as promised by the Government.

Work is now underway in planning for the development of a West Coast minerals resource prospectus to encourage further minerals exploration and development on the West Coast.

## **8. Bonds and Bonding (A discussion document)**

### **Background**

Mining companies are required to provide Bonds that are of sufficient value to ensure that the mine site is maintained to pre agreed conditions and that on mine closure the site is cleaned reconstructed and vegetated to pre established conditions.

These bonds are required to be in place before approvals can be granted for some or all of the agreements and consents listed below:

- Access agreements
- Resource consents
- Local Authority consents

### **Bond Values**

There are two ways in which a bond amount can be set.

1. for smaller operations the bond amount is established after consideration of
  - i. the cost of rehabilitating/reconstructing the land
  - ii. potential compensation amounts – (where aspects of compensation cannot be calculated until after the mining activity has taken place)
  - iii. a review of other similar mining operations bond sums.
2. For large operations a formal bonding assessment is required to identify all potential risks and set appropriate amounts for them. Such bonding assessments are carried out by a suitably qualified and approved consultants usually reporting to the authorities requiring the bond.

Once the potential costs of restoring the site are established the bond is then established after applying a confidence formula in the range of 80-95% the full cost of restoration/reconstruction. (The formula is an indication of the confidence the authorities have in the operator and the plan)

## Overlap between Bonding Authorities

Often there is considerable overlap between the bonding authorities as indicated in the following table.

Items for Bond	Related issue	Regional Council	District Council	DOC	Bond Rate
<b>Landscape</b>					
Land reconstructed to agreed contours	Erosion	✓		✓	Per ha
	Water runoff	✓		✓	Per ha
	Aesthetic values		✓	✓	Per ha
	Stability	✓		✓	Per ha
	Walkways/tracks			✓	Per m <sup>2</sup>
<b>Vegetation</b>					
Land re-vegetated to agreed plan	Sediment control	✓		✓	
	Ecosystems			✓	Per ha
	Weeds			✓	
<b>Waterways</b>					
Left as agreed	Sediment	✓		✓	
	Ecosystems	✓		✓	Per ha
	Diversions	✓		✓	
<b>Clean up of site</b>					
Mining debris and rubbish cleaned up as per plan	Removal of plant, equipment			✓	Rate per site
	Rubbish removed oil drums etc			✓	
<b>Historical</b>					
Site history recorded as per plan	Information boards		✓		
	Items of equipment				Per Site
<b>Ecosystem</b>					
Ecosystem re-established as per plan	Water life			✓	
	Birds			✓	Per ha
	Insects			✓	
	Wild life			✓	

All parties consulted with indicated a willingness to work with others to minimise the overlaps between the various bonds.

This is already standard practice with the larger mining operations where they have the resource available to facilitate discussions between the various authorities.

This process does enable a fair and reasonable bond to be struck. These bonds are usually surety type bonds and involve one single bond, segmented to the various authorities as required.

This approach works well with the larger applications as they are based on a 'formal bonding assessment' and the risks to the environment identified, classified and a \$ value associated to them.

### **Risk Assessment**

Where a 'formal bonding assessment' is not justified then an environmental risk assessment should be developed and presented to the various authorities to guide them in the setting out of appropriate and fair bonds.

For this to work the applicants risk assessment and mitigation plan would need to be robust enough to stand scrutiny and challenge through the process.

The applicant could also suggest appropriate schedule of rates for site rehabilitation and reconstruction works.

The bond group could then establish the total value of a single bond required and apply a factor based on the operations policies/procedures past record and demonstrated commitment to the environment.

### **Recommendations**

1. Minerals West Coast to work with the mining industry to develop tools for determining environmental risk for mining operations.
2. MWC to work with the various authorities to see if it could be possible to set up bonding meetings on a regular basis to look at the overlaps between the bond conditions and strike bonds accordingly.
3. MWC conduct research into the development of a schedule of rates that could be available to the regulators as a guide when striking bond values.

## **9. Mining Heritage**

Minerals West Coast has as one of its key objectives:

- To identify, record and protect local archaeological mining sites and facilities and to promote education regarding the history of the area.

At present on the West Coast we have a number of organisations working to preserve and promote our minerals history.

These organisations include:

- The Banbury mine
- Shantytown
- The Blacks Point Museum
- Coal Town

The West Coast is rich in mining history and Minerals West Coast is committed to the preservation and promotion of our history.

I would like to form a committee or group of like minded people for within the minerals industry to support the excellent work being done in the community.

**Recommendation**

Minerals West Coast forms a minerals heritage committee.