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Australian Minerals Industry

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## Code for Environmental Management

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The Australian minerals industry launched its Code for Environmental Management in December 1996. The Code was the culmination of months of discussions within the industry, with governments across Australia, and with other groups and organisations with an interest in the industry and its environmental performance, and with the community.

In May 1999 the Minerals Council of Australia published its First Progress Report on the Code. Early this year it completed a major revision of the Code, drawing on its experiences since 1996 and on further consultations with all the interested parties. This 2000 Code was released in February.

This document, the Second Progress Report, records the progress achieved in the last stages of the 1996 Code, and the adjustments and measures to improve the 2000 Code.

These progress reports are an important part of the industry's aim of making its environmental performance completely transparent to the community. A well informed community will better understand the implications of the Code, its benefits to the community, and the efforts the minerals industry is making to minimise the effects of its operations on the environment.

The Australian minerals industry is proud of its environmental record. It acknowledges that it is far from perfect, as environmental accidents attest. But there is a strong commitment in the industry to continually improve its environmental record. The Code, we believe, is one of the tools which will help us achieve that aim.

This progress report helps the community and it helps us. It helps the community to judge the industry's intent, its commitment to that intent, and its progress towards that commitment. It helps to show us where we have met our Code timetable, where we need to concentrate more effort, and where our focus should be.

We welcome your interest in and look forward to your comments on this report.

### **President**

Minerals Council of Australia

### **Executive Director**

Minerals Council of Australia

May 2000.

# 2nd CODE PROGRESS REPORT



**MINERALS  
COUNCIL**  
OF AUSTRALIA

ACN 008 455 141

# Code framework

The Australian minerals industry conceived the Code as a way to demonstrate its commitment to excellence in environmental management. This was a first for the industry worldwide.



The industry had two important reasons to develop the Code. The first was that it needed a way to respond to strong concerns about its environmental performance, expressed by some environmental and community groups. The second was that the industry recognised that good environmental performance made good business sense.

The Code provides a set of principles to guide minerals companies, wherever they operate, towards effective environmental strategies for every phase of their operations, from initial exploration for minerals to the closure of their mines and the rehabilitation of the mine sites.

Behind the Code is a vision of an industry valued by the nation and achieving outstanding environmental, social and economic performance.

The Code's mission is to achieve continual improvement of the industry's environmental performance and accountability.

## 1999 Review of the Code

The Minerals Council of Australia reviewed the Code thoroughly in 1999 as part of the development of the 2000 Code.

It held a series of Code Coordinator Workshops in Brisbane, Melbourne and Perth in May. Almost 70 representatives of 27 Code signatories attended, including Code coordinators and environmental audit personnel.

Each workshop included discussions on three important issues:

- The Code self-assessment protocol (implementation survey).
- The Code Progress Report.
- The 1999 Review of the Code.

In July 1999 the Council's Code Policy Task Force embarked on a series of bilateral and small group meetings with stakeholders from government, from industry and from NGOs. Early that same month it released a Code review issues paper for comment, drawing out suggestions for the review.

The round of meetings finished in September, but responses to the issues paper continued to come in.

Early in October, the Council released for comment by the public the first draft of the revised Code. This draft was

The Code for Environmental Management is a voluntary code. Any company is eligible to participate. Membership of the Minerals Council of Australia is not a prerequisite.

The strength of the Code lies in its voluntary nature and in the flexibility it offers its signatories. Companies volunteer for a program of continual improvement. The Code, however, does not prescribe how they are to do this. It recognises that many factors – including the type and scale of each individual operation and its surrounding environment – will impose conditions unique to each site. Signatories can implement the Code in a way that is appropriate to their operations.

The Code's seven principles define activities which are fundamental to excellence in environmental management.

It also binds signatories to four obligations which range from implementing environmental management systems to reporting publicly their environmental performance every year.

The Code is a tool for achieving the twin objectives of improved environmental performance and communication of that performance to the community.

Implementation of the Code is not an end in itself. It is a journey towards the ultimate goal of absolute environmental excellence. In practical terms, it is a journey without end.

also the subject of one of the interactive sessions at Council's annual Environmental Workshop in Townsville.

The workshop endorsed the inclusion of *vision*, *mission* and *values statement* in the Code, but believed its language could stand improvement.

Delegates were positive about the proposal for an external environment advisory group but suggested careful consideration of how to go about some aspects of Code verification and the proposed implementation survey.

The Code Policy Task Force met in early November to look at the second and final draft which it released in the middle of the month.

The Executive Committee of the Minerals Council of Australia considered this draft in December and gave it their seal of approval.

The revised Code was released to the public in February 2000 and is available on the Code website: [www.enviro-code.minerals.org.au](http://www.enviro-code.minerals.org.au).

This revision means that signatories must now re-evaluate and reaffirm their commitment to the Code.

Letters were sent to all signatories early in 2000 seeking re-commitment to the revised Code. A number of companies, including companies new to the Code, have decided to make this commitment.

The Council is planning to hold a signing ceremony of companies pledging commitment to the 2000 Code at the Council's annual Minerals Industry Seminar in Canberra on 7 June.

# Results to date

Forty-six companies representing 85 per cent of the Australian minerals industry signed on to the Australian Minerals Industry Code for Environmental Management between its launch in December 1996 and the beginning of 2000. They represented more than 300 mining or mineral processing operations, approximately 35 of them outside Australia.

As of 15 May, 2000 **companies in bold** had committed to the revised Code (Code 2000).

		1 <sup>st</sup> Rpt	No Rpts
Aberfoyle Limited	c/o Western Metals 08 9221 2555		
Acacia Resources Limited	c/o AngloGold Australasia 03 9684 4999	1999	1
Alcoa of Australia Limited	Tel: 08 9316 5111	1999	1
Aurora Gold Ltd	Fax: 08 9424 3565	Due 2/01	
Ballarat Goldfields NL	Tel: 03 5333 5444	(1)	
<b>Batson Sand and Gravel</b>	www.batson.com.au	1999	1
<b>Bendigo Mining NL</b>	www.bendigo.net.au/~gold	2000	1
The Broken Hill Proprietary Company Limited	www.bhp.com.au	1997	3
Cobar Management Pty Limited	Tel: 02 6836 2001	7/01	
Consolidated Rutile Limited	www.consrutile.com.au	1997	3
Curragh Queensland Mining Limited	Tel: 07 2986 9265	1999	1
Cyprus Australia Coal Company	c/o Glencore Coal Australia	1999	1
<b>Delta Gold Limited</b>	www.deltagold.com.au	Due 3/02	
Fluor Daniel Pty Ltd	Tel: 03 9268 6000	Due 1/01	
<b>Glencore Coal Australia Pty Ltd</b>	Tel: 02 9251 4744	Due 3/02	
Goldfields Limited	Tel: 03 6473 2414	1997	3
Gordonstone Coal Management Pty Ltd	c/o Rio Tinto	Inc Rio Tinto	
Hazelwood Power – Mining Operations	Tel: 03 5135 5812	1999	1
Henry Walker Group Limited	www.hwe.com.au	1999	1
Iluka Resources Limited	Tel: 08 9780 3324	Due 6/01	
Kalgoorlie Consolidated Gold Mines Pty Ltd	www.kalgold.com.au	1999	1
Leighton Contractors Pty Limited	Tel: 02 9925 6022	1999	1
Loy Yang Power Management Pty Ltd	Tel: 03 5173 3484	1999	1
Macmahon Holdings	Tel: 08 8291 8291	Due 10/99	
Magnesium Developments Ltd	C/o Pima Mining	Due 1/02	
M.I.M. Holdings Limited	www.mimholdings.com.au	1998	2
Mount Wellington Gold NL	Tel: 03 9614 0600	Due 5/00	
Mt Lyell Mining Company Limited	c/o Copper Mines of Tasmania 03 6471 1666	1998	1
Nabalco Pty Limited	www.nabalco.com.au	1999	1
New Holland Mining NL	Tel: 03 9614 0600	Due 5/00	
<b>Normandy Mining Limited</b>	Tel: 08 8303 1700	1998	2
North Limited	www.north.com.au	1997	3
Oceanic Coal Australia Limited	c/o Glencore Australia	2000	1
Pasminco Limited (Group)	Tel: 03 9288 0333	1999	1
<b>Peabody Resources Limited</b>	Tel: 02 9900 7777	1999	1
Perseverance Corporation Limited	www.perseverance.com.au	2000	1
<b>Pima Mining NL</b>	Tel: 08 8338 4242	Due 1/02	
<b>Placer Dome Asia Pacific</b>	www.placerdome.com	1998	2
Powercoal Pty Ltd	Tel: 02 4942 0800	1998	2
Rio Tinto Australia	Tel: 03 9242 3132	1997	2
<b>Roche Mining Limited</b>	Tel: 07 3249 6666	Due 4/02	
Ross Mining NL	c/o Delta Gold	1999	1
SAMAG Limited	c/o Pima Mining	Due 1/02	
<b>Shell Coal Pty Ltd</b>	Tel: 07 3834 1215	1998	2
Sons of Gwalia Ltd	Tel: 08 9320 4260	Due 10/00	
<b>Targa Minerals Pty Ltd</b>	Tel: 03 6334 4099	Due 1/02	
Thiess Contractors Pty Limited	www.thiess.com.au	1999	1
Wesfarmers Coal Limited	Tel: 08 9780 2145	1998	2
WMC Limited	www.wmc.com.au	1996	5
Yallourn Energy Pty Ltd	Tel: 03 5128 2692	1997	3

*NB company names in italics indicate signatory only to Code 2000*

# Public Environment Reporting

By 2000, as signatories to the Code, more than 30 companies had published public environmental reports documenting their performance.

Within two years of signing on the Code, all signatories have to publish reports demonstrating their progress against Code principles.

Public reporting provides an indication of progress towards the dual goals of improving environmental performance and communicating that improved performance to the community.

Reporting of environmental performance has been shown to drive change in a company, and improve the knowledge of interested parties and the community of performance achievements and shortfalls.

Many of the signatories to the 1996 Code have, for the first time, embraced tools such as environmental management systems and external auditing as part of the process of generating their first public environment reports.

This result has surprised and pleased both the industry and other stakeholders because the obligation broke new ground for most companies. The first company annual environmental progress report in the Australian minerals industry was published as recently as 1996. (See above.)

## Benefits of the Code

The Code commits companies to a journey of continual improvement, at a pace dictated by the company's resources and other factors, including stakeholder concerns, government regulation and technological change.

The Code generates benefits for the industry and for individual companies:

- The Code provides an opportunity for the minerals industry to demonstrate application of a consistent approach to environmental management across State, Territory, and international boundaries.
- Information in annual environmental reports will help the industry establish benchmarks of excellence in environmental management and help the transfer of technology.
- Signatories and minerals industry associations can use information in annual reports to promote industry achievement and to foster community consultation. The disclosure of environmental performance provides an avenue for disseminating facts about company performance and helps communication with people and groups which are interested in a mineral company's activities.

- A track record of conformance with the Code will increase the confidence of regulatory agencies and the community in a company's ability to manage its environmental performance. This could result in less intrusion by regulatory agencies and lower licence and permit fees. It could help expedite environmental approvals.
- Conformance with Code principles will help companies to demonstrate their diligence in managing the environmental aspects of their operations.
- Commitment to the Code has potential to help companies increase their standing with insurers and with ethical investment bodies, which could ultimately mean lower insurance costs, easier access to capital and lower capital servicing costs.
- The Code will help signatories build a company and community culture supporting constant improvement in the workplace and promoting better environmental results from company operations.

# The Code Principles and Obligations

The 1996 Code was built around nine principles. It did not set standards or tell companies how to manage or perform. It aimed to change values and behaviour.



The 2000 Code has streamlined the text and reduced the number of principles to seven. They require the signatories to:

1. Accept environmental responsibility for all their actions.
2. Strengthen their relationships with the community.
3. Integrate environmental management into the way they work.
4. Minimise the environmental impacts of their activities.
5. Encourage responsible production, and the responsible use of their products.
6. Improve continually their environmental performance.
7. Communicate that environmental performance to the community.

Each principle is supported by a series of aims, actions and activities which will help signatories to achieve continual improvement.

A number of specific obligations will continue to bind signatories to the 2000 Code.

## Code 2000 – Summary of Code Obligations

Commitment to the Code brings a number of obligations. In summary, signatories must:

- Apply the Code wherever they operate
- Progressively implement the Code.
- Produce an annual public environment report within two years of registration.
- Complete an annual code implementation survey to assess progress against implementation of Code principles.
- Verify the survey results, using an accredited auditor, at least once every three years.

Signatories to the Australian Minerals Industry Code for Environmental Management also commit to a series of values. They undertake to:

- Integrate environmental, social, and economic considerations into their decision-making and management, consistent with the objectives of sustainable development.
- Maintain openness and transparency, and improve their accountability through public environmental reporting and engagement with the community.
- Comply with all statutory requirements, as a minimum.
- Continually improve their standard of environmental performance and, through leadership, to pursue environmental excellence throughout the Australian minerals industry.

The Code secretariat can at any time ask signatories to reaffirm their commitment to the Code principles.

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# Changes in the 2000 Code

The 2000 Code builds on its predecessor without changing its fundamentals or significantly altering the Code obligations.

The most significant changes are a new mechanism for obtaining external advice on the industry's environmental performance, and an enhanced commitment to verifying and reporting publicly on the whole industry's progress towards implementing the Code's principles.

It introduces a self-assessment protocol, the Implementation Survey, to encourage assessment which is consistent across the industry. This consistency will help the Code Secretariat to analyse industry-wide trends.

This self-assessment protocol is also important to a signatory's obligation to evaluate progress with implementation of the Code's principles. The new Code obliges signatories to have their progress audited every three years against their own assessment which they have reported in the Implementation Survey.

The industry is establishing the Australian Minerals Industry External Environmental Advisory Group as a new forum through which the industry can seek independent advice on how its environmental performance is perceived. The group will also monitor emerging trends as the industry implements the Code principles.

The Code secretariat has announced that Professor Michael Archer, the Director of the Australian Museum, will chair the External Environmental Advisory Group.

Early in 2000 a number of companies, including companies new to the Code, had decided to make this commitment.

## Management

Each Code signatory appoints a Code Coordinator to drive the implementation of Code commitments right across the company.

The Code secretariat is updating a series of guidance notes which helped signatories to the 1996 Code:

- Auditing environmental management systems.
- Auditing environmental performance.
- Environmental reporting.
- Auditor accreditation.

The Minerals Council of Australia and other industry groups have established a new Code Policy Task Force to drive the implementation and development of the 2000 Code. Its chairman is Mr Peter Southern of Rio Tinto, and members are Ms Jane Aberdeen of The Chamber of Minerals and Energy of Western Australia; Ms Hilary Chapman of Thiess Contractors; Mr Nick Currey of Kidston Gold Mine (Placer Dome Asia Pacific); Mr John Hatty of BHP Minerals; Mr Andrew Minns of Normandy Mining; and Mr George White of WMC Resources.

## Next steps

The first three years of the Australian Minerals Industry Code for Environmental Management illustrated the value to the industry and to the community of such a code. Those years also revealed areas where the Code could be improved. The 2000 revision has attempted to make those improvements.

The evolution of the Code by no means ends there. The industry sees the Code as a living document, continually adapting to the needs of the community and the industry, and to the advent of new technology.

In 2000 the process of attracting signatories to the Code will continue.

The original Code obliged its signatories to audit their performance at least every three years. The first signatories to the original Code (those who signed in 1997) will in 2000

be evaluating their implementation of the Code. The next Code Progress Report will elucidate this obligation.

The 1996 Code demonstrated that, despite some early misgivings, the industry could commit itself to a program of continual improvement, setting itself ever more ambitious goals. Responses to the 2000 Code indicate a continuing strong commitment by an industry striving for environmental excellence and wanting to share with the public its ambitions and its ever-increasing environmental expertise.

*[discuss **future challenges** to the Code ie membership qualifications, sanctions etc]*

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