

Minerals West Coast Forum, Greymouth 23 July 2015

MinEx – Fitting together the puzzle and working to industry targets

Les McCracken - CEO MinEx

les@straterra.co.nz

Do we need a mining & quarry H&S organisation?

- Pressure on quarry sector from government and the public post Pike River
- The need to show leadership and better safety performance
- The new MinEx: a partnership between the mining & quarry sectors including the union (EPMU)
 - Worked with MBIE in 2013 for fit for purpose regulations
 - Working with WorkSafe for fit for purpose support to the regulations
 - Working with industry to improve H&S

Has MinEx finished what it was set up to achieve?

- Safe mines : Safe workers came out in May 2013
- Fit for purpose regulations Dec 2013 – excludes quarry & alluvials
- But – requires some amendments & these are required now
- Working actively with WorkSafe & Government but there is resistance
- Regulations will be supported by codes & guidelines
- The codes & guidelines programme consists of 14 key documents – 2 completed, 3 underway leaving 9 yet to commence

Where do the smaller operations fit in all of this?

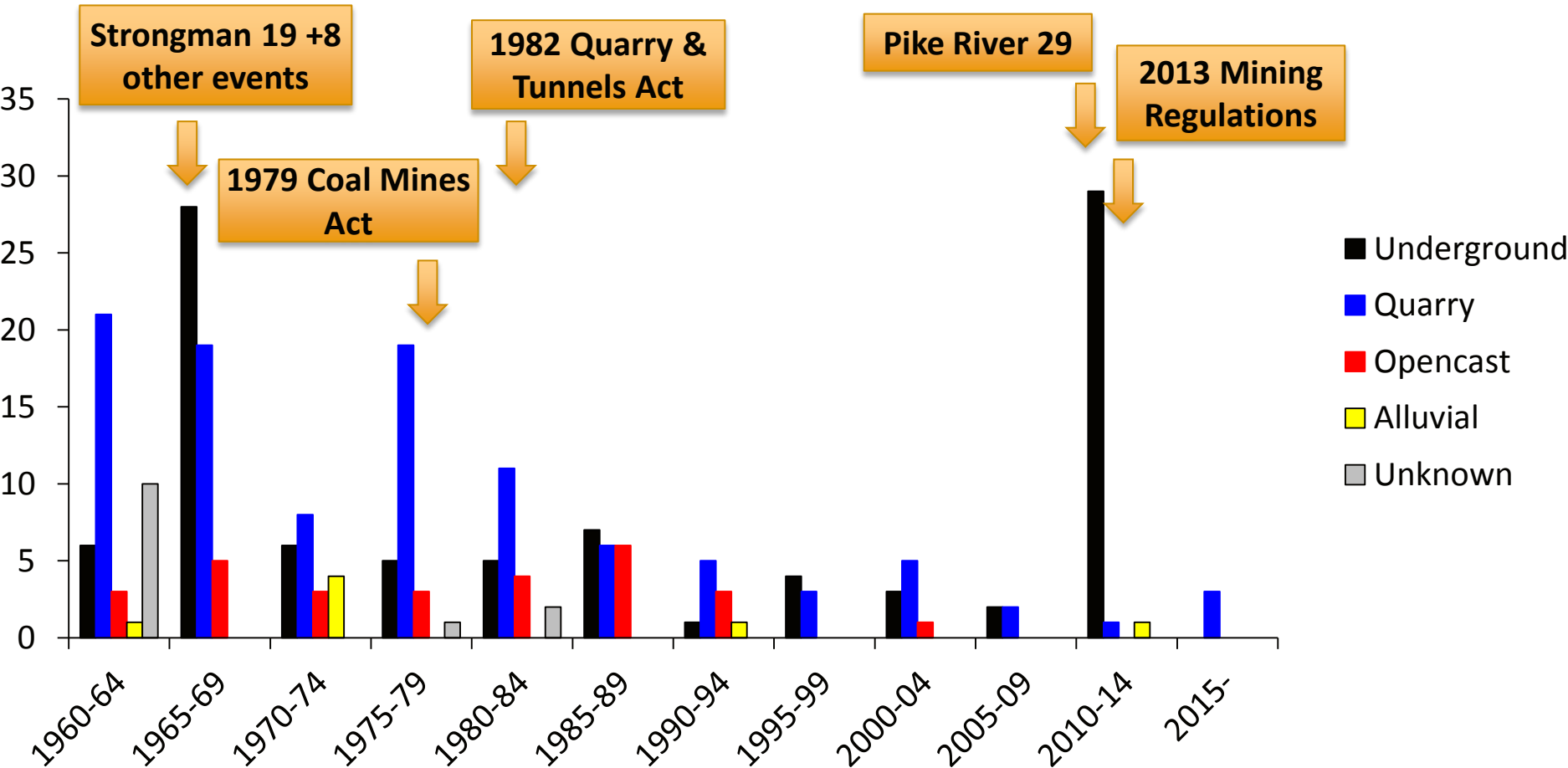
- Quarry & alluvial gold sector numbers dominated by small operations
- Many small quarry operators are not engaged
- Alluvial gold operators engagement has improved
- Some small quarry/alluvial operators have not notified WorkSafe
- There are no sector specific regulations applying to these sectors
- Quarry H&S performance is far from satisfactory, and is unacceptably below that of the rest of the mining industry
- MinEx wishes to expand its H&S data with alluvial gold operations

What does all of this mean?

- The job hasn't been completed
- Regulations, code & guideline work has a finite end
- Improving H&S performance in the industry is a long term task
- All sectors of the industry need to work on H&S improvement
- Straterra supports MinEx continuing to work on H&S

Industry H&S performance

New Zealand Mining Industry Fatalities since 1960 by Sector

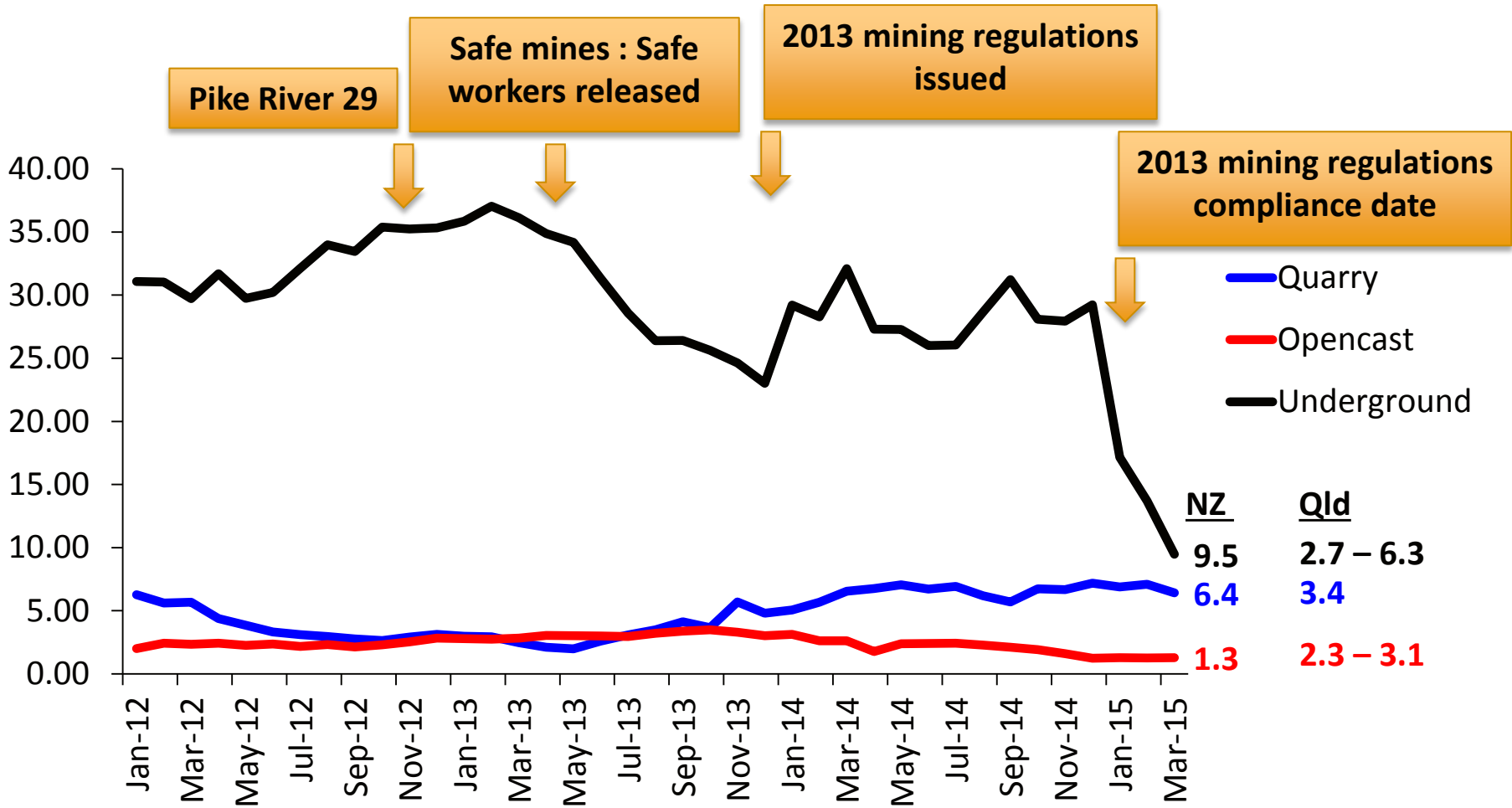


Source: The International mining fatality database at:

http://www.dpi.nsw.gov.au/data/assets/pdf_file/0009/182484/International-Mining-Fatality-Database-project-report.pdf

Looking at LTI rates since 2012

LTI rolling 12 month frequency rate (per 1M hrs)



NZ data source: MinEx H&S statistics

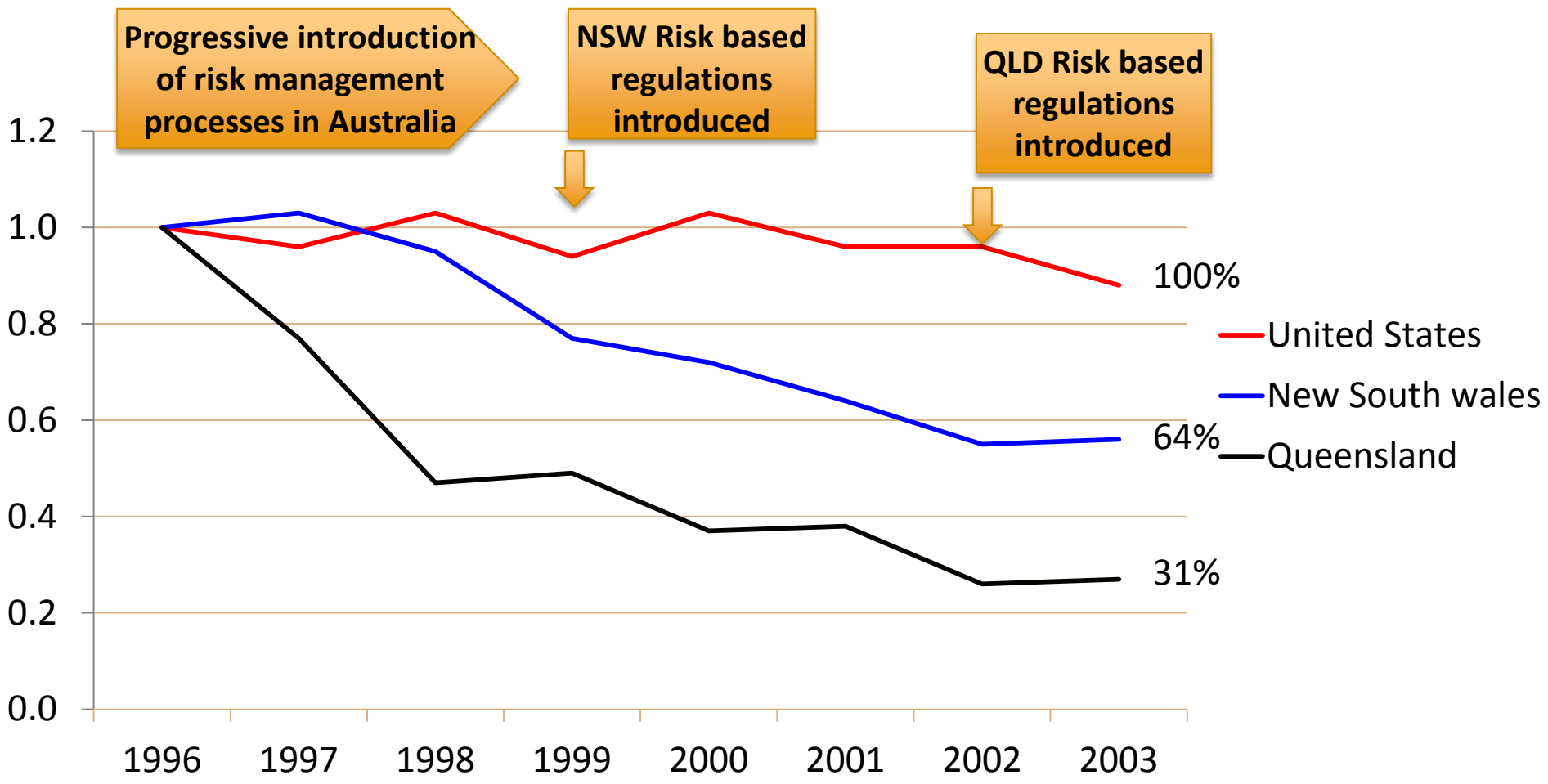
Queensland data source: <https://www.business.qld.gov.au/industry/mining/safety-health/mining-safety-health/accidents-incidents/safety-performance-reports-statistics>

Compliance versus risk based regulations

31%

Adjusted* incident rate ratios for lost-time injuries by region

*Adjusted for tons of coal produced, number of miners employed and underground status relative to 1996 and using GEE.



3 quarry sector fatalities in 3 months

- All in small operations
- None were engaged
- Two are specifically regulated under the 2013 regulations:
 - Ground instability
 - Roads and other vehicle operating areas
- The other was a well known generic hazard:
 - Equipment guarding

Clearly we need to do more on improvement

- A key issue is a lack of engagement

- What is MinEx & WorkSafe doing to address this?:
 - Current MinEx/WorkSafe Extractive forums
 - Flush out the non-engaged

 - 2 held in Greymouth (100) & Tauranga (70)

 - More scheduled for Alexandra (5 August) , Whangarei (15 Sept), Ashburton, Invercargill during 2015

 - Further round in 2016

Why does MinEx advocate quarry & alluvial sector inclusion under the 2013 regulations?

- » The 2013 regulations need amending to accommodate quarry/alluvial sectors
- » MinEx's objective is to improve the health and safety performance of the entire mining and quarry industry:
 - Consistency of approach where the hazards & risks are common
 - Makes sharing resources for improvement possible
 - Makes enforcement consistent across sectors
- » The Chief Inspector supports MinEx's call for the quarry sector to be included within the scope of the 2013 regulations