

3.0 MINING

3.1 Summary - Mining

Mining and exploration in Fiji has been dominated by gold production from Vatukoula mine in the past, although significant other sector revenues come from industrial minerals such as sand and gravel, quarried stone and coral sand.

The mining and quarrying sector on average accounts for 1.4% of GDP. A sluggish performance in 2005 saw the sector decline by 30.7%, and its contribution to GDP falling to 1%. Prospects for the sector look the industry at general decline from 2006, gold production declined by 49.2%. The EGM was back into operation in 2008.

3.2 Policy and Regulations

➤ Features of national mining codes or mineral industry code

The Mineral Resources Department (MRD) is a statutory regulating authority/body that regulates the mining industry in Fiji and is the custodian of the following Acts & Regulations:

1. Laws of Fiji Chapter 146: Mining Act & Regulations – guides and regulates activities relating to prospecting for and mining precious metals and other

developed ten years ago during an Offshore Mineral Policy Workshop that was coordinated by South Pacific Applied Geoscience Commission (SOPAC) and held in Madang, PNG.

3. To date, MRD have issued 7 petroleum exploration licenses. Interests in Petroleum have been boosted by a report titled “Petroleum Potential In Fiji” which was written in 1993 by a Jonathan Rodd whilst engaged as Petroleum

All Prospecting Licences and Mining Leases are subject to established reporting requirements and regular on-site inspection which is undertaken by MRD's Mines Inspectorate officers. This is to ensure all activities undertaken are in adherence to statutory requirements as specified in the relevant Act(s).

As stipulated in the Exploration and Mining Policy, extensions to Prospecting Licences are normally available, providing all licence conditions have been met. Extensions are subject to the same conditions as apply to initial applications, however, in the case of an extension, it is expected that minimum exploration expenditure will significantly increase with each successive extension.

Prospecting License holders have a right to progress from prospecting to mining if they have complied with the license conditions and they have proven that a minable resource exists. Permits to Mine (for artisanal, small & middle-scale mining) can be issued for a maximum of 2 years, and are renewed annually. All leases are renewable but the renewal period depends on the size of the proven resource. Thus, exploration and development is a prerequisite of any Mining Lease holder.

➤ **Guidelines for artisanal, small and medium scale mining**

Artisanal, small and medium scale mining guidelines are stipulated in the Mining Act Cap 146 through the grant of a Permit to Mine. Permit to Mine is granted for a period of 2 years and may be extended for a period of 1 year.

Every applicant for a Permit to Mine shall report fully to the Director of Mines the nature of the mineral deposit, submit a scheme outlining the extent of the proposed operation and produce evidence to the satisfaction of the Director of Mines that the applicant has the working capital necessary to carry out such a scheme.

➤ **Public/Stakeholder consultation and participation in decision-making related to mining**

History clearly shows that mineral sector developments offer unique benefits as well as pose special problems for communities adjacent to mineral deposits, and Government views the direct participation of residents as an integral part of a successful long term relationship. The rights of landowners and immediate stakeholders are enshrined in Fiji's Mining Act & Regulations (Cap 146).

From early in the exploration phase the project sponsor and Government, through the Ministry of Fijian Affairs, should collaborate on a public information and education program about the anticipated nature and impact of the project. Government is mindful that premature release of information may unduly inflate residents expectations, and will be guided by mining company views on when certain information may appropriately be released. However, the Government of Fiji believes that a regular information flow needs to be established fairly early in the project cycle to avoid misconceptions and unwarranted rumours about potential mine development. Once the project has come into operation, mine management is urged to consider establishing resident liaison committees

to facilitate information exchange and to provide residents with a forum for airing their views.

➤ **Private Public Partnership PPP for sustainable mining**

Government's main aim for the mineral sector is to ensure that developments proceed in a sustainable manner. Sustainable mineral sector projects are those that effectively incorporate community participation during the corporate decision-making process, that ensure an equitable distribution of the benefits arising from mine developments, and that, having carefully assessed the socio-environmental impacts, minimise these impacts.

➤ **Emergency Response Plans and Preparedness at the local level**

It is a requirement that all mining operations develop a Mine Safety Management Plan (MSMP) incorporating an Emergency Response Plan, which is reviewed and passed by the MRD or consultants. Contents of the MSMP include:

- The management structure
- How risks are to be managed
- Arrangements for the safe use of plant and electricity
- Contractor Management Plan
- Emergency Plan
- The O.H.S Policy for the site and it's objectives
- The arrangements for training, instructing and informing persons on O.H.S matters
- The arrangement for supervision and communication
- The arrangement for supervisors skills upgrade in terms of on-site risk assessment and developing section emergency response plans
- Induction/training arrangements on site safety rules for any site visitors or new employees
- The establishment of safety guidelines and evacuation procedures
- The arrangement of having mock drills to test the response and awareness of employees (e.g. fire drill – surface & underground, stench gas drills etc).

➤ **Risk assessment of mines and mining activities**

mining project developer will be expected to make contributions to a Mine Closure and Rehabilitation Fund. The parameters and objectives of this fund will be established as part of the comprehensive Development Agreement, prior to mine construction. Contributions to the fund can be flexibly organised to reflect debt repayment or cyclical factors but the fund must represent a good faith effort by project sponsors to make financial provision for the maintenance or restoration of the mining area/community after the cessation of mining. The final state will be ascertained from the outset, and the repaired state will be subject to an impartial assessment, to ensure that it meets final state specifications.

➤ **Technological, institutional and social initiatives for protecting the health of mining workers**

Fiji's occupational health and safety provisions pertaining to the mining industry is enshrined in the Mining Act and Regulations. Where mining companies can show compliance with the regulations, and application of best-practice work standards, a system of self-monitoring will be developed in consultation with the Mineral Resources

previous owner and settles these issues (rehabilitation, relocation and promotion of alternative livelihood for redundant employees etc) as part of the Mining Lease transfer.

The current Government and MRD's vision is to have a proper Mine Closure guideline/policy formulated and implemented as a binding document to ensure current and future mine developers carry out effective restoration and rehabilitation works as per nature of their project upon mine closure.