



**THE 30
PROPOSITIONS
OF THE**

U.S.O.E.N.C.

**Contribution of
the USOENC to the
construction of
our future**

General grounds

New Caledonia will meet its past at the beginning of this 21st century, we are convinced that the new industrial era we are moving into today will radically transform the life of its inhabitants.

This transformation must now improve the lives of Caledonians and for this to happen there will have to be significant reforms of the territory's material and immaterial infrastructure. Plants require ports, electricity generation, skilled workers, and we want sustainable development, a simple demand which means striking a balance between industrial imperatives and just development which will not compromise the future of the territory and its populations but on the contrary provide them with the means to their wellbeing.

The 30 proposals below pursue this objective of creating compatibility between mining and metallurgical development and sustainable and just development in the territory.

1. Mining activities

Mines in activity

Grounds from proposals 1 to 3: Mining activity will continue developing in the territory: the opening of two new mines at the foot of the two plants will not immediately lead to the closure of mines which are currently being operated, whether or not it is an issue of supplying SLN or exports to Japan or Australia. However, this mining development is happening in a context where the opening of mines contains no responsibility for the operators to rehabilitate the mines once operation has stopped. The risk for the territory and its inhabitants is crucial in terms of sustainable development. Voluntary measures are not sufficient, as can be seen in deliberation 104, where application did not correspond to expectations. That is why New Caledonia must do everything possible to guarantee the rehabilitation and replanting of mines which are currently being operated.

- 01 Mandatory rehabilitation and replanting of all surfaces used for any mining operations extracting ore from the Caledonian soil or sub-soil.
- 02 This rehabilitation obligation is guaranteed financially by the mining company either by deposit or bank guarantee.
- 03 All mining activity must set up a rehabilitation plan as soon as it is opened, mines which are already open have three years to do this.

Abandoned mines

Grounds from proposals 4 to 8: *Many abandoned mines exist on the grande terre territory of New Caledonia. These sometimes are extremely old, they represent New Caledonia's debt to its inhabitants, who are suffering prejudice after many years. In order to repair the damage caused by mining operations, to relieve the populations who are still victims, New Caledonia, which has started a new mining phase, must do everything possible to solve this problem. Ways must be found as quickly as possible to create mixed financing bringing together the State, the territory and the operators.*

- 04 A list of mines to be rehabilitated will be drawn up
- 05 A ten-year mine rehabilitation plan will be drawn up by the mines council taking into account priorities which must be proportional to the gravity and longevity of the disturbance suffered by the local populations.
- 06 A plan to remediate damage caused by the absence of rehabilitation will be drawn up jointly by the authorities and the local populations.
- 07 The rehabilitation and remediation will be governed and fuelled by a multi-year research and development plan on mine rehabilitation and replanting.
- 08 It will also be fuelled by the creation by the New Caledonian government of professional training in the field of mine rehabilitation and replanting.

Mine closures

Grounds from proposals 9 and 10

Mining activity is more subject than other industries to closure of operations leading to the end of the economic activity and sometimes the end of all activity when a single-industry practice has remained the rule. Today, New Caledonia has no instruments enabling the management of sometimes brutal developments on the employment front. This is a situation which needs remedying.

- 09 There will be an obligation to redeploy all employees laid off, including temporary staff.
- 10 Should a mine close, the mining company will participate actively and finance the conversion of activities and retraining of employees.

The issue of skills and distribution of income

Grounds from proposal 11

Knowledge of the geology of the territory and therefore its natural resources is strategic for the territory and its inhabitants.

- 11 A geology department will be created in New Caledonia whose first task will be to organise the skills transfers required for mastery of knowledge on the territory's natural resources.

Grounds from proposals 12 to 14

The nickel industry is cyclical. New Caledonia already has a mining sector support fund, this must be maintained and should make it possible to guarantee jobs and support the cash flow of mining companies when prices are too low. But this simple economic support is not enough and mining income, which is linked by definition to the limited nature of mining activities, must be shared between the operators and inhabitants.

Similarly, the territory's inhabitants must have the opportunity of benefiting from profit sharing opportunities when prices are high.

- 12 The economic support fund for the mining sector financing mine employees' social security payments must be maintained.
- 13 A territorial tax will be introduced equal to 0.05 dollars per pound of nickel extracted. Part of this is allocated to future generations in the form of a fund managed over the long-term.
- 14 A mechanism will be introduced for local and communal profit-sharing which will come into play from upwards of 3.5 dollars per pound of nickel (LME reference)

2. Mines, Metallurgy and Industry

Grounds from proposal 15

With the idea of prevention and transparency, the territory's specialisation in nickel production must also cascade down into the fields of nickel-related health issues, except, once again, for times when it is necessary to depend on the outside for questions concerning the heart of the territory's life and economy.

- 15 An institute for health intelligence and research will be set up for nickel-related problems in New Caledonia.

Grounds from proposals 16 to 19

The new industrial era that New Caledonia will go through must see the overhaul and modernisation in regulations concerning

the environment, industrial risks, and product quality, and to do this the control measures required must be set in place. Among these measures the first must be social dialogue in the company and in the territory.

- 16 It is urgent to set up an environment code applicable to New Caledonia complying to European standards and get the control measures required for it to be applied.
- 17 New Caledonia must get European quality standards in industry, building and public works.
- 18 In terms of legislation on industrial risks New Caledonia must transpose the Seveso II directive on the prevention of major risks, the order of 2 February 1998 on norms concerning water sampling and consumption, emissions of all kinds in the ICPE, and the law of 30 July 2003 (the so-called "post-Toulouse" law) on risk prevention (strengthening of the Health and Safety Committee prerogatives).
- 19 In terms of risk assessment New Caledonia must transpose into its labour law the law of November 2001 concerning the drafting of the single document (strengthening of the Health and Safety Committee prerogatives). Furthermore, New Caledonia must get the teams and means of intervention necessary to be able to act efficiently in the case of a major incident.

Grounds from proposals 20 to 23

New Caledonia must create compatibility, with a view to sustainable development, between extractions from the nickel-rich ground and other sectors of its economy including fishing and tourism. To do this it must provide guarantees to its populations and to tourists coming for the beauty of the landscapes and to discover the world's biggest coral sea.

- 20 The registering of the New Caledonia coral reef on the UNESCO World Heritage Site list is an essential priority
- 21 USOENC would ask Goro Nickel immediately to implement all technical and financial means to condemn all discharges into the La Havannah canal.
- 22 Nickel development must remain compatible with the territory's tourist and maritime development.
- 23 A listing of Caledonian biodiversity in all its aspects will be launched by competent organisations and financed by the French State, this is the starting point before any nickel development in the territory in the 21st century.

3. Employment and Training

Grounds from proposals 23 to 28

Participation of the Caledonian workforce in the construction of projects in the form of direct employment or as subcontractors will determine the impact on the development of the territory through process control.

To obtain this result there will be a need for an unprecedented training effort implemented by both the territory's authorities and the operators, and the French State must support the rise in the local workforce's skills.

The result will be the creation of jobs higher than measured by the operators.

- 24 For the construction of industrial facilities and associated infrastructure, 60 % of the workforce must be Caledonian.
- 25 For the construction of facilities and associated infrastructure, the Caledonian added value must reach a level of 40 %.
- 26 Given the impact of industrial investment in progress or planned for, estimated at between 11 000 and 18 000 jobs created over the next five years representing around 20 % of extra employees, New Caledonia must organise vocational training suited to respond to this historic phenomenon as a whole.
- 27 A metallurgy collective bargaining agreement will be set up.
- 28 The French State must strengthen the training of technical management for the territory (engineers) so as to enable the skills transfers necessary for the effective application of the Nouméa agreements.

4. Territorial development

Grounds from proposal 29

The technical development as planned for today contains a number of inequalities which will lead to major imbalances in the territories with the very significant risk of seeing the development of poverty in certain areas and the exclusion of populations from the process underway. Instruments must be created for the whole of Caledonian society, North, South, East and West without forgetting the islands.

The issue of access to basic services needed for modern life such as access to water, energy, health, housing, education, in short a worthwhile life integrating the possibility of finding a job is at the heart of questions of development.

All Caledonians must have the possibility of participating and buying in.

- 29 New Caledonia must get the public infrastructure necessary to accompany the industrial investment underway or planned for: communications, regional development, health, education, housing, all of this organised in a general plan for New Caledonia. The same anticipative and support approach must be implemented for questions of energy and water distribution for companies and households. The mobilisation of Caledonian savings should be used to enable the launching of a loan to finance the infrastructures the country needs.

Grounds from proposal 30

New Caledonia is moving into a new industrial era in conditions and with means that are generally recognized as insufficient regarding the competences and the financing it

can mobilize. These manifestly insufficient means and conditions are part of the history of New Caledonia. In order to follow and achieve the transfer of the competences necessary to manage the future development of the country, the French State, in accordance with the spirit and the text of the Nouméa agreement, has to help the Caledonians to get the means for their future.

30 Within the first term of 2006, the French State, together with the Caledonian authorities, will take the initiative for discussions in order to sign an agreement on the economic and social development in New Caledonia, with the active participation of the social partners.. This agreement concerns the implementation of a mid and long term plan aiming at the organisation and the financing of the transfers of competences necessary to bring up to standard the collective capacities of the country.

As for us, SOENC, we consider that this follow up, BY THE FRENCH STATE, IS A DUTY, in accordance with the spirit of the Matignon and Nouméa agreements concerning the economic and social history of New Caledonia.