

# **SUBMISSION: LLYLE CHAD KAWANGKA**

SENATE INQUIRY INTO DEVELOPMENT OF BAUXITE MINING  
NEAR AURUKUN CAPE YORK

FEB 2016.

Attention to Committee Secretariat Dr Kathleen Dermody  
Senate Standing Committees on Economics  
PO Box 6100  
Parliament House  
Canberra ACT 2600

Thank you for taking the time to read my submission.

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I am Llyle Chad Kawangka, a Wik Traditional Owner, a Director of Ngan Aak-Kunch Aboriginal Corporation and I recently held the title of Director of Aurukun Bauxite Development Pty Ltd – but offered to step-down from this role in January of this year to avoid any conflict in my campaign to run as Mayor of Aurukun Council in the upcoming 19th March Local Government Area elections.

I would like to thank Senator Matt Canavan, who initiated this Inquiry; the Chairperson Senator Chris Ketter; and all other Senators of the Economics References Committee, for the opportunity to present my views on the Inquiry.

Naturally, I am keenly interested in all issues being reviewed in this Senate Inquiry by the Economics Committee but I would like to focus on the urgent need for the economic development of the Bauxite Resource on our lands within RA315 and why the selection of a Preferred Proponent by the Queensland Government is so important to Wik People.

### **The Wik People of Aurukun urgently need sustainable economic activity.**

The Resource was identified 60 years ago by CRA Ltd subsidiary Comalco Ltd (now Rio Tinto). Rio Tinto progressively relinquished the RA315 areas and set about developing the coastal deposits of Weipa, and now expanding their South of Embley (recently renamed as Ambun) mine.

Despite Rio Tinto retaining the ‘crown jewels’ the resource on our land is described by the Queensland State Government, in their initial EOI document about our Project, as containing a resource of “approximately 674 million tonnes of in-situ bauxite”.

Our community of Aurukun is rated in the poorest 5% of communities Australia-wide. We are the 2nd most disadvantaged Level Area, and 92% of our local residents are on welfare (ABS, 2011). Employment opportunities are scarce, and with the 40 year history of RA315 deposit sitting warehoused by multinational - we've been waiting around for nothing. Our NAK Board and Wik Elders believe it's time we take matters into our own hands, and develop our own mine - on our own land - to create jobs and wealth and ensure Wik lands and waters are properly protected.

Our remoteness and distance from markets eliminates most opportunities to develop small enterprises – we have tried fishing, cattle, and tourism, but costs of getting produce to market make it economically unviable and unsustainable.

The community of Aurukun desperately need this mine on the North of RA315 to start as soon as possible – not just to create jobs but to offer some hope for the future. In our negotiations with Mr Benson, we have agreed in principle to relinquish areas to the South of the Watson River. These are pristine Wetlands, and should not be disturbed by mining activity.

It is not surprising that when a remote community of some 1,200 people sit with no opportunity and no hope that we end up with social dysfunction, substance abuse, domestic violence, incarceration, and civil disobedience.

Our community rarely reaches the news for anything other than bad news. We are better than that. Deputy Premier Jeff Seeney came to Aurukun on 5<sup>th</sup> September 2012 and promised to support the efforts of the Aurukun Shire Council and Traditional Owners in our efforts to get off welfare and become owners in our own mining company. He promised us time to help us get organised and promised us that we would support our effort. This was all captured on video. But look now at what has happened. It has been a string of back-flips and tricks to deny us of natural justice. Well, we are Wik people, and my generation will continue to fight for our rights for our children to have the same rights as all other Australian children.

### **The Wik People know bauxite mining - and we know our land.**

We are relatively well informed about bauxite mining. The giant Rio Tinto mine at Weipa sits just 90 kilometres from our town, and we have watched it develop over the past 40 years – with a handful of our locals employed in their operations.

I agree with Mr Nick Stump, former CEO of Comalco (now Rio Tinto) and now Chairman of ABD. He described the Aurukun Project as “large scale landscape gardening”.

We are lucky to have bauxite experts like Mr Stump and Mr Dan Tenardi (former CEO of Ngarda Civil and Mining), and a company like Thiess to ensure a good mine plan and proper process. We also recognise that careful rehabilitation is just as important. Caring for country and not destroying our lands and waters for future generations is an essential part of Wik People participating in this project.

Mr Benson, and now Mr Stump, along with our family of investors from Singapore and Indonesia are willing and able to finance the Project, and have been prepared to sit and listen to the ideas of our past Mayor, current NAK Board, Traditional Owners and our Wik Elders. Our investors are aware of the challenges and are still keen to help us.

### **Mining, more than jobs - it's enterprise building and empowerment.**

We want more than the promise of a few jobs. Jobs are good but they can be cut off without warning and are short lived. Look at what is happening in some of the big mines run by the big companies like Mr Palmer's refinery and Glencore's coal mines in Queensland.

We want this bauxite mine to help build small sustainable business. In our ILUA with ABD, we have secured support for studies, training, and off-take to our NAK/ABD mine camp. We have already identified many opportunities from fishing, poultry, market gardening etc. that could be set up locally to supply the mine village. I enclose ABD's enterprise development concepts that has been a work in progress for the past 12 months (**Appendix One – ABD Presentation**). It's very easy for big mining companies to say that they will support our ideas and efforts but there is NO evidence that they will – there's no written agreement. It's time to make sure we build a stronger community for our People.

## Concerns about Glencore's track record.

We have real concerns about Glencore International AG – the parent company of Glencore Bauxite Resource, which has requested a Mineral Development Licence over Aurukun's RA315. This company is one of 200 subsidiary operations of Glencore AG – and that's only counting those in Australia!

We are worried that Glencore AG has such a bad record internationally in matters of treatment of Indigenous People which include being accused of committing human rights abuses in Peru, Colombia, Philippines, the Democratic Republic of Congo and Zambia (See **Appendix Two – Media records of global incidents**).

Closer to home, our brothers and sisters near Mount Isa, the Kalkadoon mob, warned us of Glencore's disrespect to Indigenous culture, and failure to deliver any benefits to Traditional Owners and community (See **Appendix Three – Kalkadoon Media Release**).

Deputy Premier Jeff Seeney said that "the Government would evaluate the proposals based on their environmental merits" (See **Appendix Four – Government Statement Sept 2013**). However, we have visited the Indigenous Peoples at Borroloola and seen firsthand the lack of care of country demonstrated by GlencoreXstrata. There were no birds. There is a very fine line in an ecosystem – we know this well. If you pull up the soil, you've got to tend to it or it dies. Mr Nick Stump says in mining terms this means it's not active and lots of work must be done to ensure trees can grow. But when there are no birds, there are no grubs, which means no ants, and nothing flowering. No matter what you plant back if you're not tending to the ecosystem a tree is just there for show – it will not give back to the earth and will eventually die – or worse – become a fuel path for fire. A company that mines as quickly as possible will not care for the future state of the land like we will. We will be in Aurukun for generations. We will want to make sure our children's children see what our elder's saw. (See **Appendix Five – ABC News Article about our Borroloola visit**).

## The Bauxite Games of Big Players

I don't wish to be rude, but it seems like no one in the Queensland Government Department of State Development understands the games the big players in the Aluminium Industry get up to.

I have not had the benefit of much education, and no university, but I do try and watch the news, hear from businesses, and read the paper where I can to learn as much as possible.

I believe that Glencore is just like Pechiney and Alcan, or any other big player in the Aluminium industry.

Glencore has cross-shareholding and massive trading contracts with Rusal (Russian Aluminium). An article in Metals News (October 2010, taken from Business Insider) tells how Premier Anna Bligh was bullied by Rusal over our RA315 deposit. The article points out how Rusal has been sitting on a great bauxite lease for years in West Africa but they have never bothered to develop these deposits and no benefits have flowed to the local Indigenous People. What genius in the Queensland Department of State Development thought that Glencore should be the exclusive Preferred Proponent for mining on our land?

This is no rocket science. These big companies don't need to spend money on developing a new mine on RA315 to make profit. The CEO of Glencore, Mr Ivan Glasenberg, made numerous public statements that Glencore is not interested in developing any new Greenfield mines (See **Appendix Six – Glasenberg addresses Investors**). These big players, like Glencore, make profits by using our land and the RA315 deposit as a bargaining chip when they want bauxite from Rio Tinto. If they don't get a discount from Rio Tinto and want to dig up our land then the result is just as equally bad – as they'll sell to themselves (or partners) at the lowest price, or through tolling. This will no doubt result in minimising any benefits to Wik and the State Government's royalty benefits.

A big multinational player, like Glencore, will never fit with what the Wik and Wik Waya people desperately need. I don't understand why the Queensland Government would put the fate of our community in the hands of a company whose future is dependent on the global demand for Copper. (See **Appendix Seven – WSJ Article regarding 'Doomsday price of Copper'**).

### **Repeating history. Not an outcome that Wik and Wik Waya People want**

My People are dying, yes dying. It sounds like an emotional phrase but it's a fact of life the Wik people are all too familiar with. I'm sick of attending family funerals. They're dying from depression, suicide, domestic violence, overdose, even murder. My elders who fought so hard to gain land rights for us and they're nearly all gone... without seeing any benefits to the community. Benefits don't always need to be financial, benefits are in many ways better if they give individuals a sense of purpose, a role in the community and a level of responsibility. With the economic activity that goes hand in hand with a new mine, we can build indigenous run businesses, and improve outstations restoring our connection to land.

Despite all the fan-fare from Deputy Premier Jeff Seeney in his media releases, the promises he made face-to-face with our Elders at the start of the bid process, and the Government requirements set out in the Competitive Bid Process' State Guidelines, Glencore has not complied or cooperated and the Native Title Holders are still waiting to see any Minimum Benefits Package. (See **Appendix Eight – Government's Guidelines (stated in Media Releases and RFDP)**).

### **A new future for Aurukun and the Wik People**

I am now one of the younger generation of Wik Traditional Owners and I hope Senators understand why I am determined to continue our fight for justice and fair go.

We trust Mr Benson and the ABD team that has been brought together to develop this Project. They've been transparent, and helped us come together on a single cause, under the ABD banner. Our ILUA is the best in Australia. We are inside the boat and want to show Australia how we can work together and make a successful Project. A test case for other remote Indigenous Communities and for future generations.

Thank you for taking the time to read my comments.

Kindest regards  
**Llyle Kawangka**

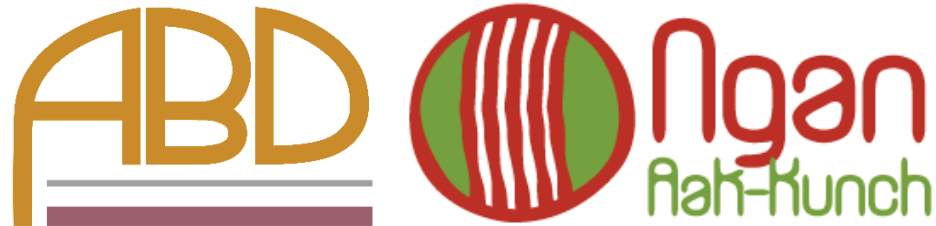
# Appendix One

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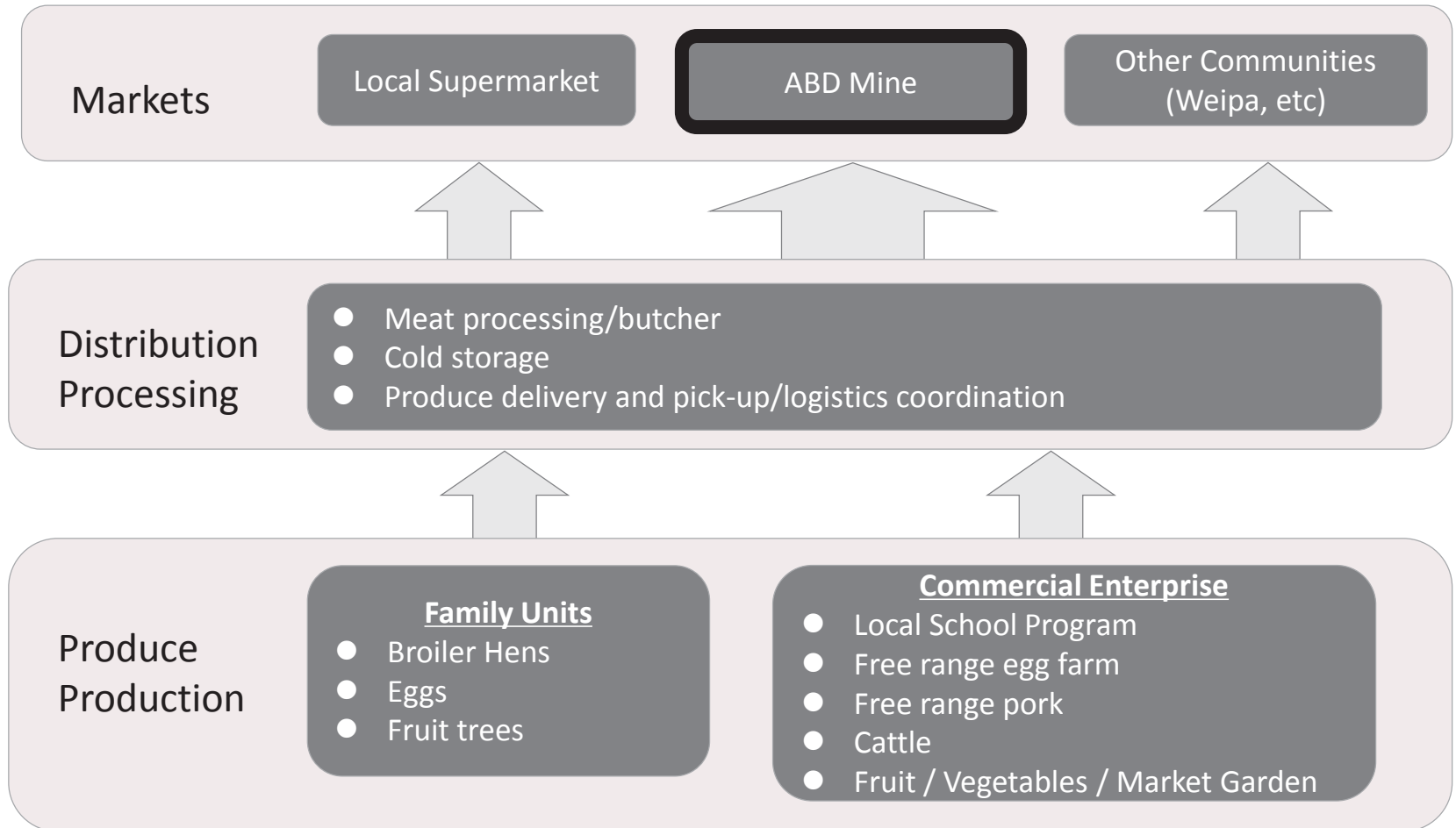
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# Aurukun Community Enterprise Program

Example 1: Primary Production



# Planning





# Planning



# Family Units

- Free range **meat** chickens take between 45-60 days to reach maturity (longer than factory farming because they are tougher birds)
- The variety shown here has been bred specifically for hot Australian climates



- Self sustaining flocks of 5 – 20 birds.
- Need safe sleeping/growing area
- Average bird (1.7kg meat) consumes mixed grain, plus kitchen scraps.

# Family Units

- Horticulture program
- positive relationship between chickens and fruit and veg.
- Fruit trees suitable to the environment to be planted and managed in-line with chickens. Mangoes, Bananas, Passionfruit, Pineapple, Citrus, etc.



# Processing Centre

- Meat
- Fish
- Poultry



\*Could be established as Cooperative.



# Collection & Delivery

- Local delivery and pick-up for all produce



# Example A: Commercial Enterprise (Eggs)

- Chicken caravan can manage up to 450 birds
- Nesting area must be moved every 2-3 days
- 10 Ha required to be fenced against dingoes and pigs
- Secondary, internal/mobile electric fence protects chickens (50m x 50m)
- Sprinkler needs to be installed for hot days (above 40 degrees) to prevent deaths and to encourage laying
- Daily task of cleaning the van, feeding livestock, collecting eggs, and changing water.



# Example B: Commercial Enterprise (Pigs)

- Herd of up to 20 pigs each
- Average carcass size = 70kg
- Herd segregated by age to prevent fights.
- Pigs must be rotated between paddocks every 2 – 3 days to prevent pasture damage.
- Penned pigs take about 100 days to reach market size, free range pigs take slightly longer.
- Could be farmed along-side chickens in safe fenced area.
- Pig farm needs access to water, shade and food. Requires daily inspection of food, fences and animal health.
- Need trained workers to slaughter and butcher the meat – these skills transfer into butchering bush boars/pigs, and other game (eg. wild goats, kangaroos etc).



## Example C: Enterprise (School)

- School orchard program
- Netted orchard for production of tropical fruits and vegetables.
- Teach permaculture – relationships between natural compost, birds, bugs, and garden production
- Can use manure from pigs and chickens.
- Can grow regional bush tucker
- Can include egg laying chickens inside orchard





## Example Chicken Coop



## Dog Proof Fence





## Market Gardening - Commercial



# Support

The ABD mine operation will assist with:

- Detailed feasibility studies
- Training and mentoring
- Guaranteed offtake
- Finance

# Examples

## Family Units

- Basic Model: 25 meat chickens plus 8 fruit trees
- Local Processing unit supplies stock feed and collects product
- Chickens take approximately one month to reach 1.5Kg – sell to process unit @ \$10.00/Kg.
- Capital Investment approximately \$2,500 for fence, shed & irrigation.
- Income to family is approximately \$250/month – OR \$3,000 per annum.

# Examples

## Commercial Units

- Model:
  - 25 Ha fenced; 3 mobile sheds; production capacity of 1,200 chickens/month.
  - 200 grafted fruit trees
  - Capital investment of approximately \$200,000
  - Bank loan supported by back-to-back offtake guarantee by ABD
- Revenue
  - 1200 x \$15 x 12 months  $\approx$  \$200,000 per annum
  - + 200 fruit trees  $\approx$  \$20,000
  - \$220,000**

### *Assumptions:*

- *Chickens average 1.7Kg*
- *Grafted citrus trees*

# Examples

## Commercial Eggs

- 10 Ha, fenced, one mobile shed
- Production capacity of 300+ eggs/day
- 200 grafted fruit trees
- Capital investment  $\approx$  \$150,000

## Revenue

Eggs, @ \$0.75/each	$\approx$ \$105,000 per annum
Fruit, @ \$0.90/each	$\approx$ \$20,000
	<b>\$130,000</b>

### Note:

- *Numbers are subject to final feasibility*

# Appendix Two

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**Examples of Negative Press: Glencore**

The Observer	2012	“accused in the Democratic Republic of Congo of dumping raw acid, and profiting from children working underground”
British Telegraph	2013	“evading more than 120 million euros worth of tax money through the activities of a metals producer in the Mediterranean island of Sardinia, <a href="#">The Independent reported</a> . Glencore had arranged a transfer of pricing by letting the Italian company Portovesme buy raw materials at an inflated price from the Swiss commodity company.”
Sunday Times: Business Times	2014	“The report, “The Dark Side of Coal”, published by Dutch nongovernmental organisation PAX in Germany last week, says that Glencore’s Colombian arm, Prodeco, secretly supported the right-wing United Self-Defense Forces of Colombia (known by the Spanish acronym AUC) during that country’s bloody civil war.”
London Mining Network	2014	“Swiss-based commodities giant Glencore “continues to place the maximisation of profits and the minimisation of its tax payments above respect for human rights and the environment”, according to a report by Swiss NGOs and aid agencies.”
Australian Financial Review	2014	“Swiss-based Glencore, this country’s largest coalminer, paid almost no tax over the past three years on income of at least \$15 billion, claiming tax breaks in Australia after borrowing money from associates overseas.”
The Australian	2014	“The source of the [toxic] emissions is the copper and zinc mine and smelters operated by Glencore Xstrata, a Swiss-based mining giant. The company’s subsidiary, Mount Isa Mines (MIM), employs 5000 workers, mostly from the city, and annually injects \$1 billion into Queensland’s economy, according to its website. It also generates a level of toxic emissions far above the norm, says Taylor.”
Australian Mining	2014	“Heavy metal pollution in the MacArthur River has prompted Borroloola clan elders and local residents to protest and submit their own management plan to NT and federal government regulators.”

# Appendix Three

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**MEDIA RELEASE – 12 September 2014**

**WARNING ABOUT GLENCORE XSTRATA**

Last month, the Queensland Government announced that Glencore Xstrata was its “preferred proponent” to mine a massive bauxite deposit near Aurukun on Cape York, trumping a bid by a company part-owned by the local Aboriginal community.

The Kalkadoon native title group from Mt Isa in North Queensland has expressed concerns about this decision, in light of Glencore Xstrata’s disappointing track record on Aboriginal employment.

Kalkadoon Community’s Managing Director, Noeleen Dempsey has stated that: ***“Glencore Xstrata’s track record on setting meaningful employment targets for Aboriginal people in the Mt Isa community is extremely disappointing. Glencore Xstrata claims to provide jobs for more than 20 per cent of Mt Isa’s population, but where are the opportunities for Aboriginal people?”***

**WARNING TO THE WIK PEOPLE**

Distressed about the gap between rhetoric and reality in mining towns like Mt Isa, Kalkadoon Community – which acts as the agent of the Kalkadoon native title holders - has decided to warn other Aboriginal groups about the risks of governments giving major mining companies the green light in areas where Aboriginal employment should be treated as a real priority.

***“The Kalkadoon people would like to warn the Wik people of Cape York to be wary of Glencore Xstrata’s so-called commitments around Aboriginal employment. After years of mining in Mt Isa, we are yet to see meaningful opportunities for our young people”***, Ms Dempsey stated.

**GLENCORE NEEDS TO SET TARGETS**

The Kalkadoon people have also called on the resource giant to take responsibility for improving employment outcomes for the Kalkadoon people and for all Aboriginal people living in the Mt Isa community.

Ms Dempsey has stated: ***“As Managing Director of Kalkadoon Community and a proud Kalkadoon woman myself, I call on Glencore Xstrata to set meaningful employment targets to help improve the living standards of Aboriginal people living in the Mt Isa region.***

***“We are sick of the all talk, no action approach of major mining companies like Glencore Xstrata; we want real targets for real jobs for our people”***, Ms Dempsey added.

**ONGOING CONCERNS ABOUT HEALTH AND SAFETY**

The Kalkadoon people of Mt Isa have renewed concerns about the negative health and safety impacts of mining in Mt Isa, calling on resource giant Glencore Xstrata to take responsibility for the excess blood levels of lead in Mt Isa’s children.

A 2008 survey found that 11% of Mt Isa's children have excess levels of lead in their blood.

A series of recent scientific studies by Professor Mark Taylor, a leading expert on environmental pollution issues, has tied contamination from lead, arsenic and other contaminants to Glencore Xstrata's mining operations in Mt Isa; however the response from the company to date has been negligible.

Legal action is already being taken against Glencore for compensation for alleged brain damage caused by lead emissions.

Kalkadoon Community's Managing Director, Noeleen Dempsey has stated that: ***"Contamination from the mining industry places the future of our children and young people at risk. The Kalkadoon people demand that Glencore Xstrata sets targets to minimise lead contamination in Mt Isa. Companies like Glencore Xstrata have a responsibility to ensure that their work does not pose a risk to the health and safety of the local community"***.

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#### **Contact Information**

**Contact Person:** Noeleen Dempsey, Managing Director of Kalkadoon Community Pty Ltd.

**Phone:**

**Email:**

### **Additional Information**

- Kalkadoon Community Pty Ltd is the approved agent of the Kalkadoon native title holders of the Mt Isa region.
- The Kalkadoon people won an historic native title consent determination in 2011, recognising their native title rights and interests to over 40,000 square kilometres, in and around the town of Mt Isa.
- The 2011 Census reveals that approximately 15 per cent of the total Mt Isa population are of Aboriginal or Torres Strait Islander origin, a figure higher than the national average of 2.5 per cent.
- The 2011 Census also reveals that mining employs almost one third of Mt Isa's working population, yet unemployment remains a significant problem facing Kalkadoon young people.
- Glencore Xstrata has repeatedly refused to set targets for the employment and training of Kalkadoon people, despite noting on its website that the company provides jobs for more than 20 per cent of the total population of the city of Mt Isa.

### **Important Links:**

- <http://www.theaustralian.com.au/news/nation/wik-want-piece-of-mining-action/story-e6frg6nf-1227040622998>
- <http://www.theaustralian.com.au/national-affairs/indigenous/owners-bid-to-share-reborn-aurukun-bauxite-dream/story-fn9hm1pm-1227039324473>
- <http://www.abc.net.au/radionational/programs/bushtelegraph/mt-isa-lead/4762438>
- <http://www.abc.net.au/news/2013-06-17/mining-emissions-in-mount-isa-cause-lead-poisoning-in-children/4757502>
- <http://www.couriermail.com.au/news/queensland/study-proves-mining-responsible-for-excess-blood-lead-levels-in-mount-isa-children/story-fnihsrf2-1226664653964>
- <http://www.theaustralian.com.au/national-affairs/state-politics/mining-operations-to-blame-for-lead-contamination/story-e6frgczx-1226665289200>
- <http://www.brisbanetimes.com.au/queensland/lung-infection-rates-in-mount-isas-indigenous-children-among-worlds-worst-20140601-zrue8.html>
- <http://www.theaustralian.com.au/news/nation/mount-isa-boys-1m-lead-damage-case-goes-to-trial/story-e6frg6nf-1227054541629>
- About Professor Mark Taylor:  
<http://web.science.mq.edu.au/directory/listing/person.htm?id=mataylor>
- <http://theconversation.com/reducing-the-harms-of-toxic-air-in-mining-and-smelting-communities-25999>

# Appendix Four

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# Media release

Deputy Premier, Minister for State Development,  
Infrastructure and Planning  
The Honourable Jeff Seeney

## **Aurukun proposals submitted**

Two groups have submitted proposals to develop the Aurukun bauxite deposit in western Cape York.

Acting Premier Jeff Seeney said Australian Indigenous Resources Pty Ltd (AIR) and Glencore International AG had each submitted proposals by the September 13, 2013 deadline.

Mr Seeney said the State Government would evaluate the proposals based on their environmental merits as well as how they maximised benefits and returns to the native title holders, the Aurukun community and the state.

“When I visited region in August last year I was impressed by the strong desire within the community for a development that will unlock economic and social benefits for Aurukun,” Mr Seeney said.

“This means that a proposal must go beyond the promises of yesteryear and chart a clear course to a mining development where the rewards are shared.

“Over the past 12 months much effort has gone into turning this opportunity into a reality.

“We have called for expressions of interest, selected a shortlist of proponents capable of delivering the development and invited these proponents to submit their detailed plans.

“Importantly, shortlisted proponents have been able to put forward proposals that they consider best meet the state objectives and their commercial interests.”

Mr Seeney said each of the shortlisted groups had the opportunity to meet with the Ngan Aak-Kunch Aboriginal Corporation (NAK), which represents the native title holders for the resource area – the Wik and Wik Way people, and the Aurukun Shire Council to discuss and refine their proposals.

“The Queensland Government will now assess each proposal keeping in mind the project must be delivered at no cost or risk to the State and must meet strict environmental conditions,” he said.

Mr Seeney said two of the shortlisted groups – Chalco and Rio Tinto Aluminium had decided to withdraw from the competitive bid process.

He said Cape Alumina did not withdraw from the competitive bid process, but had not lodged a proposal by the September 13, 2013 deadline.

“The government will now work towards a final decision on a preferred proponent by the end of the year,” he said.

**[ENDS] 18 September 2013**

**Media contact:**

# Appendix Five

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# Glencore share plunge casts doubt over future of controversial proposed bauxite mine near Aurukun

7.30 By David Lewis

Updated Wed 30 Sep 2015, 5:44pm

**The shock collapse of Glencore's share price this week has cast doubt over the future of a controversial bauxite mining project in remote Far North Queensland.**

Shares in the Swiss-based commodities giant plunged 30 per cent on Monday after an investment bank warned its stock could become "worthless" if commodity prices fail to recover.

As the company pledged to dramatically reduce its \$US30 billion debt, resources analysts said Glencore would be reassessing all projects that require more spending to get off the ground.

That leaves a question mark over its ambitions to develop a rich bauxite deposit on land belonging to the Wik and Wik Waya people in Aurukun on the western Cape York Peninsula.

"At the moment [Glencore] probably has bigger problems inside its balance sheet and that may in fact see that project put on the backburner or, for the time being, cancelled," resource analyst at Fat Prophets David Lennox said.

"When you have a look at the action Glencore has taken, it is planning to actually reduce its capital expenditure so that means it will look at all its projects and see what projects don't meet its criteria.

"We think Aurukun might actually fall into the cancelled projects list at the moment."

That prediction will be welcome news to the directors of Ngan Aak-Kunch (NAK), the group representing native title holders in west Cape York.

NAK has been campaigning against Glencore's bauxite proposal, which would see more than six million tonnes of the resource dug up each year over the mine's expected 20-year life span.

"We don't want them sort of mining companies coming into our town and polluting our land and destroying our air and taking away our livelihoods," NAK director Lavinia Ahlers said.

The chief concern held by native title holders is not Glencore's financial performance but rather its track record on environmental management.

Earlier this month, the directors of NAK travelled to Borroloola in the Northern Territory to meet with Indigenous leaders who claim the nearby McArthur River zinc mine has polluted local waterways.

"We had some letters and emails come through from the Borroloola people inviting us to talk to them about their experiences," Wik and Wik Waya woman Gina Castelain said.

"They sent us a warning about Glencore."

## Traditional owners say mine has contaminated river

Complaints about the McArthur River mine escalated around 2007 when the site transitioned from underground to open-cut mining.

The change forced the diversion of the McArthur River, the lifeblood of Borroloola's four Indigenous clan groups.

Asman Rory, a GudANJI Garawa traditional owner, claims fish have been contaminated with lead due to toxic plumes and leaks from the mine's tailings dams.

"Turtle, brim, barramundi. We used to feel safe in our own mind that we could eat it," he said.

"We've been living off this river for that long, it's not even funny. That's where I get really emotional about it because I feel it. I feel what's happening in this river here."

Glencore has strongly denied any link between lead levels in fish and the mine.

The Northern Territory Government has issued advice to Borroloola locals on how much fish they should eat but insists that advice is the same for residents throughout the Territory.

However, documents obtained by the ABC under Freedom of Information laws show the Government received advice from its chief health officer recommending locals should avoid eating fish altogether at three locations.

During their visit to Borroloola, the NAK directors from Queensland were taken to one of those locations, Surprise Creek, to see the impact first-hand.

"What Glencore has done to these people and their country is really heartbreaking for us to see," Ms Ahlers said.

"Do we really want this for our people in Wik country? No. I don't think so. I'm glad we came here to see this so we can take this information back to our people and tell them."

## Some traditional owners happy for mining on their terms

While some traditional owners do not want to see mining in Aurukun under any circumstances, others are happy for it go ahead on their terms.

In fact, during the competitive bidding process to determine which company would be awarded preferred proponent status, the directors of NAK threw their support behind Aurukun Bauxite Development (ABD).

ABD signed a historic land use agreement with native title holders promising them a 15 per cent non-diluting share in the company, two seats on the board and jobs for residents in Aurukun — a town with chronic unemployment.

"We're not against mining but the Government needs to understand the native title holders of the land need to be involved in those decisions," Ms Castelain said.

"The Wik people actually want to have a stake in that mine. We will not settle for anything less than equity."

The Queensland Government initially knocked back both ABD and Glencore's proposals to develop the Aurukun bauxite deposit.

But last August the competitive bidding process was controversially reopened for one day only, allowing Glencore to submit a new and improved plan while catching ABD off guard.

"We were gobsmacked. We couldn't believe, that in 2014, that's how the Government awards tenders to companies in the state," Ms Castelain said.

The Government named Glencore the preferred proponent, arguing ABD did not have the finance or experience to get the mine up and running quickly.

Now, after a horror week for the company, Glencore is signalling there could be delays.

"The current stage of the Aurukun bauxite project involves assessing the feasibility of developing the Aurukun bauxite resource. This would normally take several years," the company said in a statement.

It said the decision on whether or not to develop the resource depended, in part, on the outcome of "more detailed discussions with the local community and stakeholders".

The native title holders are not taking any chances and plan to push ahead with a High Court challenge on behalf of the Wik and Wik Waya people.

The matter will be heard next month.

**Topics:** mining-industry, mining-rural, indigenous-aboriginal-and-torres-strait-islander, indigenous-policy, land-management, company-news, business-economics-and-finance, bauxite, land-rights, aurukun-4871, qld

*First posted Wed 30 Sep 2015, 5:29pm*

# Appendix Six

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SUBMISSION: LLYLE CHAD KAWANGKA

## Glencore chief promises returns to investors

11 December, 2014 Vicky Validakis 0 comments



Glencore chief Ivan Glasenberg said the company was focusing on returning cash to investors instead of buying new assets just "for the sake of having a bigger company".

Glasenberg made the comments at an investor briefing in London overnight.

"We are not going to hoard cash for the sake of hoarding cash or we're not going to buy something for the sake of having a bigger company," Glasenberg said.

"We're going to do what is best to do with that cash. If we can't deploy it in our business at a return that makes sense we will give it back to shareholders."

**Glencore reiterated its distaste for greenfield projects** and said the focus would remain on projects that offered valuable returns.

"The amount of capital that goes into these projects, you don't get the returns," Glasenberg said.

"Greenfield is something we are very scared [of] and you won't see us doing greenfields for a long time."

The company said it would aim to generate a 20-25 per cent return on equity from its mining activities and a 40-65 per cent for its trading activities.

**Not for the first time, Glasenberg took to schooling the major iron ore producers on supply and demand.**

With the price of iron ore falling by nearly 50 per cent this year, Glasenberg noted: fortunately we don't produce iron ore.

"Capital misallocation, not a lack of demand, remains a key issue for the sector resulting in a clear need to differentiate by commodity," Glasenberg said.

"We don't want to oversupply and cannibalise our own business. If we do generate cash and we don't find better ways to deploy it, we are owner-managers and we are happy to pay back some money to ourselves."

Glasenberg also questioned if pushing more iron ore into an already oversupplied market was the right move by the likes of BHP Billiton and Rio Tinto.

"They are producers. They've decided to increase tonnes. It's a big bet," he said. "It doesn't affect



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Hadenough

Couple of points, the workers, who are still employed, will still be on the same hourly rate with the same penalties/site allowances...

**Unions not happy with FMG's new roster plan · 35 minutes ago**

**Exploration Geologist**

I would have put 'Mad World' in there as well...

**Qld gold miner enters administration · 52 minutes ago**

**Exploration Geologist**

Yeah - I saw that one on the ABC yesterday and just wanted to smack the idiot upside the head... 1 flight per week on an 8/6 vs 2 flights...

**Unions not happy with FMG's new roster plan · 59 minutes ago**

us fortunately because we don't produce iron ore. Time will tell whether they got it right or wrong. Their logic – you've heard it – is they are lower cost producers and they will survive no matter what. But have they cut into their own margins? That's the debate."

In the face of languishing coal prices, **Glencore decided to shut down its Australian coal mines for three weeks over Christmas this year** in order to rein in about 5 million tonnes of output.

"Our ability to acknowledge and react accordingly to the supply-demand fundamentals across our markets has played a key role in enabling us to continue to deliver on our main objectives; the efficient deployment of capital to grow earnings, cashflow and dividend per share," Glasenberg said.

Glasenberg said Glencore's strength lied in the diverse commodities of its business.

The company has operations in oil, coal, wheat, copper, nickel and zinc as well as having a separate marketing business.

"We are a believer in having multiple commodities," Glasenberg said.

"Really that is what has made this company great, having diversification and not just be focusing on three or four commodities.

"This has allowed us to maintain a strong set of earning over the years".

Glencore has a market capitalisation of 41 billion pounds.

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Sep 11 2013 at 12:57 PM | Updated Sep 12 2013 at 8:48 AM

SAVE ARTICLE | PRINT REPRINTS & PERMISSIONS

# Glencore unlikely to invest in greenfield sites



Glencore Xstrata chief Ivan Glasenberg believes that a capital investment spree by mining companies since the middle of last decade had created a situation of oversupply in a number of commodities. Photo: Bloomberg

by Luke Forrestal | Gemma Daley

Glencore Xstrata chief executive Ivan Glasenberg has told investors he remains open to acquiring established mines but is reluctant to invest in new ones for fear of putting further pressure on commodity prices.

Addressing Glencore Xstrata's first investor day in London on Tuesday, Mr Glasenberg spoke of his belief that a capital investment spree by mining companies since the middle of last decade had created a situation of oversupply in a number of commodities.

He did not want to exacerbate the problem by sanctioning additional greenfields developments, but was also mindful of statistics showing that major resources projects had experienced cost overruns averaging 35 per cent in recent years.

Following the completion of the \$US54 billion (\$58 billion) merger that formed Glencore Xstrata, every greenfields project in its portfolio has been placed under "long-term review", including the \$7 billion Wandoan thermal coal project in Queensland.

The company revealed at its investor day that Wandoan, which would have been its biggest Australian investment, had been officially shelved until conditions in the coal market improve.

"A considerable amount of capital and human resources have been invested in the project to date and we consider it a valuable asset and important future option," a

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Glencore Xstrata coal spokesman said in an emailed statement on Wednesday.

“However, as a result of the current over-supply, low prices and other challenges in the global coal market, we have placed the project on hold in the short to medium-term.”

Other Australian coal projects listed by the company as “on hold” are Pentland/Milray, Sarum, Running Stream and Blackrock, although these are nowhere near as advanced as Wandoan and require substantially less capital to develop.

Incoming Industry Minister Ian Macfarlane said the Coalition would abolish the carbon and mining tax to help restore investor confidence and sees a bright future for the resource sector, adding that the decision on the Wandoan project was a commercial matter for the company. “The global commodities market has faced challenges in recent times, including low thermal coal prices,” Mr Macfarlane said in comments emailed to *The Australian Financial Review*. “The Coalition believes Australia’s energy and resources sector does have a positive future... The Wandoan project would be an important part of that, however the Coalition believes the industry has a strong future even in light of Glencore Xstrata’s decision.”

In his presentation to investors on Tuesday, Glencore Xstrata coal president Peter Freyberg estimated that 30 per cent of the world’s thermal coal production was loss-making at current prices. The company is forecasting that all of its Australian operations bar one will be EBIT-positive this year due to efforts to reduce headcount and improve productivity.

The exception is the Collinsville mine in Queensland, where the company recently took over operations from contractor Thiess and has suspended production pending negotiations with the Construction, Forestry, Mining and Energy Union.

“Collinsville has been loss making over a period of about 20 months and the point we’ve been trying to make is we don’t cross-subsidise any of our mines,” the spokesman said. “Each of them has to stand up in their own right. “We’re still in negotiations with the CFMEU because we’re of the view that we need a new enterprise agreement without restrictive work practices in order for the mine to have a viable future.”

*The Australian Financial Review*

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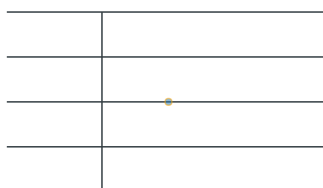
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# Appendix Seven

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SUBMISSION: LLYLE CHAD KAWANGKA



# THE WALL STREET JOURNAL.

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MARKETS | COMMODITIES

## For Mining Chiefs, Doomsday Scenarios Could Become Reality

Copper, iron-ore prices approach levels described as 'doomsday'



A couple of Komatsu trucks arrive with their load at the Chuquicamata copper mine, in the desert town of Calama, Chile, on Oct. 25, 2005. PHOTO: MARTIN BERNETTI/AGENCE FRANCE-PRESSE/GETTY IMAGES

By **SCOTT PATTERSON, ESE ERHERIENE** and **JOHN W. MILLER**

Jan. 29, 2016 12:30 a.m. ET

LONDON—Mining executives, welcome to your worst-case scenarios.

Glencore PLC Chief Executive Ivan Glasenberg rejected predictions that copper would fall below \$4,000 a metric ton, dubbing it a “doomsday” price. Rio Tinto PLC Chief Executive Sam Walsh last year said the idea that iron-ore prices would fall to \$30 a metric ton was from “fantasy land.”

Since Mr. Glasenberg’s comments in September, copper prices have tumbled nearly 20%, falling close to \$4,300 a metric ton. It has risen in recent days, but was down 1.3% at \$4,530 in London on Thursday and an increasing number of analysts are now saying prices will go below \$4,000 soon.

Iron ore was changing hands for more than \$60 a metric ton when Mr. Walsh made his remarks last February, but it plummeted to below \$40 a ton in recent weeks, and now



Ivan Glasenberg, chief executive of Glencore, in St. Petersburg, Russia, on May 23, 2014. PHOTO: BLOOMBERG NEWS

\$30 a ton appears within reach. It fell 1% on Tuesday to \$40.80, and some analysts think it could fall into the \$20s this year.

Spokesmen for Glencore and Rio Tinto declined to comment.

The vicious decline in commodity prices is upending the forecasts of the leaders of the world's top commodities companies and scrambling their plans to cope with the worst rout in decades. Some of the world's biggest miners have slashed their dividends, sliced off billions of dollars in debt and scaled back millions of tons of production as their assumptions about how low commodity prices could go turned out to be wrong.

"I've been going through hell!" Richard Adkerson, chief executive of American mining giant Freeport McMoRan Inc., said at a London metals conference last October, referring to a Rodney Atkins song lyric, "If you're going through hell, keep on going."

It was three years after Mr. Adkerson predicted in an interview with *The Wall Street Journal* that Chinese construction projects would lead to "really large demand" for copper, prompting the company to invest billions in expanding production and building supermines around the world.

In an interview Tuesday, hours after fielding questions from analysts about a \$4.1 billion loss in the fourth quarter, Mr. Adkerson said Freeport is "being very realistic about the short-term situation" but expects prices to recover "because unlike iron ore and coal, the world does not have huge inventories of copper." He added he wouldn't have invested as aggressively in supermines as he did earlier this decade "if prices had been where they are today."

Expectations that China would swallow up vast new production of copper, iron ore and other commodities have collapsed. Earlier this month, China posted annual economic growth of 6.9%, its weakest gain in a quarter century.

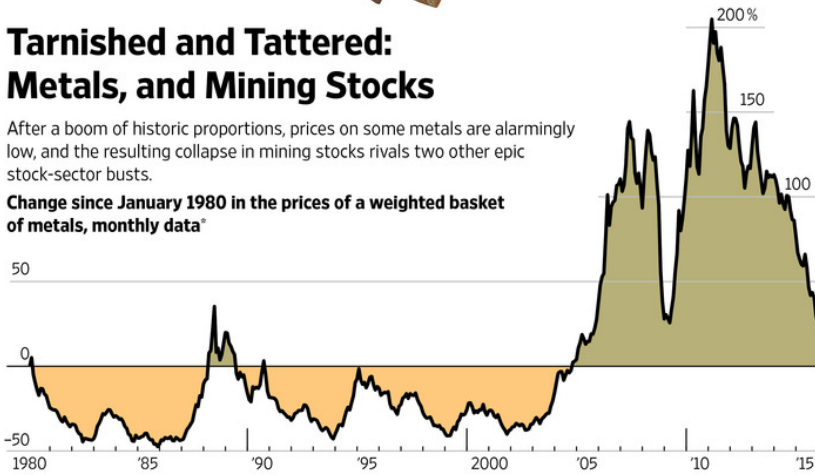


A 3,000 ton open-pit rotary excavator in Weisswasser, Germany.

## Tarnished and Tattered: Metals, and Mining Stocks

After a boom of historic proportions, prices on some metals are alarmingly low, and the resulting collapse in mining stocks rivals two other epic stock-sector busts.

**Change since January 1980 in the prices of a weighted basket of metals, monthly data\***



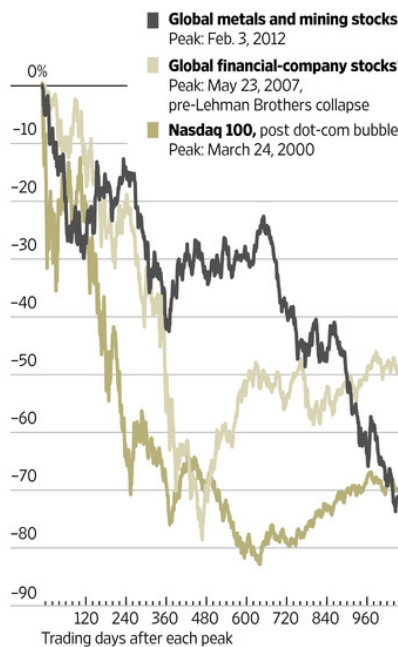
**Copper prices**  
Kerb prices on the London Metal Exchange



**Iron ore, spot price**



**How each sector fared in the four-plus years after a peak**



\*Calculated from IMF price indexes for copper, aluminum, iron ore, tin, nickel, zinc, lead and uranium; through December 2015  
†MSCI World Indexes, in U.S.-dollar terms; metals-and-mining stocks are through Jan. 28, 2016.  
Sources: International Monetary Fund (metals index); FutureSource (copper prices); The Steel Index (iron-ore prices); Thomson Reuters (stock-market indexes) Photo: Arno Burgi/DPA via ZUMA Press

Pat Minczeski/THE WALL STREET JOURNAL.

It isn't just that China is buying less. One reason for depressed prices and declining stock-market value is uncertainty among Western producers and traders about exact production and consumption figures in China, said Scott Stewart, a former Glencore trader who is now chief executive of Black Hawk Resources Ltd., a Cleveland-based aluminum-trading company.

“We all know China is bad,” he said. “The question is how bad, and the lack of transparency is causing a lot of uncertainty and negative sentiment.”

The slump reflects dynamics “not seen since the aftermath of Japanese re-industrialization in the 1980s,” when commodity prices slid following years of booming demand from Japan, Investec said recently. Price declines “are now greater than in any crisis of the past 30 years,” Barclays said on Jan. 11.

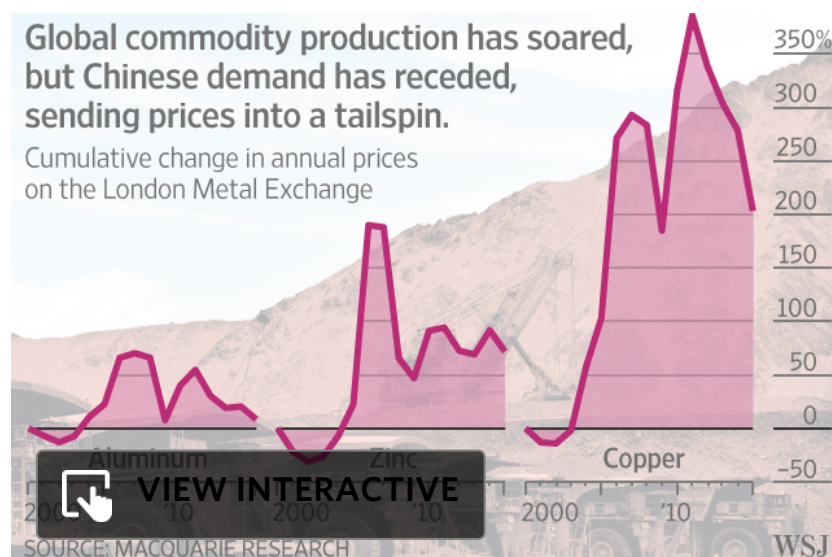
Already-battered mining shares are in free fall. In the past year, shares of London-

based Anglo American PLC and Freeport have lost about 75%. Glencore has tumbled 64%. Shares of Rio Tinto and fellow Anglo-Australian miner BHP Billiton Ltd. have lost more than 40%.

Analysts don't believe the pain is over, because the fundamentals of supply and demand



## The Commodities Super Slump



seem to be out of whack.

For example, refined-copper supply jumped 36% to 22.5 million tons from 2005 to 2014, according to International Copper Study Group data. Over that same period, annual copper consumption increased 38% to 22.9 million tons.

That growth was driven by China, while consumption fell elsewhere in the world,

making prices today much more sensitive to any slowdown in that country's demand growth.

Total Chinese copper imports fell to 8.6 million tons in 2015, down 2.2% from the year before, their third straight year of decline. In monetary terms, they fell 19% to \$38.4 billion. Global refined supply rose 1.8% over the same period, according to the ICSG, largely because of an increase in refined production from China, which jumped 4%. The copper price fell 7% between January and October last year.

"I think we've got to break \$4,000 at some stage," said Robin Bhar, head of metals research at Société Générale SA. "I think we need to see that because that would be an incentive to get more production cuts."

That would take a bite out of Glencore's bottom line. At current prices, Glencore is forecast to post earnings before interest, taxes, depreciation and amortization of \$7.3 billion in 2016, according to Liberum Capital. A 10% drop in copper would erase \$500 million from those earnings, Liberum says, raising questions about whether Glencore would need to consider new moves to raise cash.

Glencore had already embarked on an ambitious plan to slice \$10 billion off its nearly \$30 billion debt pile to satisfy nervous investors. The company has also temporarily sidelined a pair of unprofitable African copper mines, which will reduce its production costs.

Rio and other big iron-ore miners, such as BHP Billiton, have been widely criticized for flooding the market with excess iron ore, a move critics, including Glencore's Mr. Glasenberg, said would crush prices as demand in China slowed.

The plunge in iron ore has pummeled the balance sheets of big miners, even low-cost

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*‘I’ve been going through hell!’*

—Richard Adkerson, chief executive of Freeport McMoRan

---

producers such as Rio Tinto and BHP. That is making it increasingly likely that the companies will have to shore up their finances

through dividend cuts—moves that seemed unthinkable just months ago. Anglo and Glencore have already cut their dividends.

“Dividends are expected to be cut heavily, including for industry stalwarts, BHP Billiton and Rio Tinto,” Investec analysts said.

Still, recent Chinese data show some resilience in copper consumption. Last week, the Chinese customs authority said 530,000 tons of unfinished copper and products were imported in December, a 26% annual rise and the second-highest monthly figure on record.

And some supply is coming out of the pipeline, giving copper producers such as Glencore hope that prices will eventually rebound. More than 600,000 tons of copper supply, or about 3% of global production, have been taken out of the market over the past 12 months, according to Morgan Stanley. Last month, Chinese copper producers said they would consider a further 350,000 tons of cuts.

But cutbacks so far haven’t been enough to counteract the fall in demand, analysts said.

“We need to see more [supply cuts] for the market to believe that there could be a shortage of copper,” said Matthew Wonnacott, a consultant at CRU Group. “I don’t think the market is going to let this rest until it sees blood.”

# Appendix Eight

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SUBMISSION: LLYLE CHAD KAWANGKA

# Media release

## JOINT STATEMENT

Premier

The Honourable Campbell Newman

Deputy Premier, Minister for State Development,  
Infrastructure and Planning

The Honourable Jeff Seeney



## Government unveils new plan for Aurukun leases

The State Government will seek new expressions of interest from companies interested in developing the Aurukun bauxite resource in far north Queensland.

Premier Campbell Newman said the decision to start a fresh process had been driven by the **Government's objective to maximise benefits to the Aurukun community**, traditional owners and the State, and strong corporate interest.

"The Bligh Government ran a flawed strategy whereby it would lease the bauxite to a company under the condition it established a refinery or expanded refinery capacity," Mr Newman said.

"Their strategy of leasing the bauxite under the conditions of establishing a refinery simply will not work.

"It was tried and failed, and with the looming carbon tax and skyrocketing electricity prices, it's difficult to see how a new refinery will ever be possible in Australia again.

"However, my Government has held discussions with interested parties and the appetite to mine the Aurukun bauxite is real and substantial.

"Therefore, over the coming months we will now go to the market and seek fresh expressions of interest and by April next year we expect to shortlist bidders to participate in a tender process for the right to develop the resource."

A decision is expected by the end of 2013.

Deputy Premier Jeff Seeney said the Government's decision to revisit the development of the Aurukun bauxite resource had the backing of the Aurukun community and traditional owners.

"Before proceeding with this new process, I met with the Mayor of the Aurukun Shire Council Mr Derek Walpo, councillors and the directors of the Ngan Aak Kunch Aboriginal Corporation (NAK) to discuss the potential way forward," he said.

"The NAK represents the native title holders - the Wik and Wik Way people.

"The Aurukun Shire Council and the NAK directors who were present at the meeting expressed their strong support for development of the resource."

Mr Newman said the Aurukun community would be involved in the process and the Government would provide resources to ensure they are able to participate in a meaningful way.

"Government assistance to the Aurukun community and traditional owners will include providing unused TAFE buildings for the community to meet and coordinate their input into the process.

"The Government's objectives to start a new process are abundantly clear – there will be the immediate benefits of jobs and infrastructure for the Aurukun community, traditional owners and the State, should development of the bauxite resource proceed."

Mr Seeney said development of the Aurukun bauxite resource was essential to the creation of a vibrant economic

future for the Aurukun community and traditional owners.

“Not only will there be the immediate benefit of mining jobs and improvements to infrastructure, there will be additional benefits through the many business enterprises that could be established in Aurukun to service the mine,” he said.

“It is the aim of the Government through the development of the Aurukun resource to ensure development of a mine and to make sure the people of Aurukun are well prepared to take advantage of the many business opportunities that the mine will deliver.”

**[ENDS]** 16 September 2012

**Media Contact:**





# Media release

Deputy Premier, Minister for State Development,  
Infrastructure and Planning  
The Honourable Jeff Seeney

## Aurukun bauxite opened for development

The Newman Government today opened an Expressions of Interest process for the development rights to the Aurukun bauxite resource on Cape York.

Deputy Premier and Minister for State Development, Infrastructure and Planning Jeff Seeney said the government was going to the open market to find proponents with the capability, capacity and experience to develop a bauxite mine and associated infrastructure.

“On September 16 the Premier and I announced that the Government would take this course of action regarding the Aurukun bauxite resource,” Mr Seeney said.

“The Government’s key objective is to maximise the benefits and returns from the project to the Aurukun community and native title holders, as well as maximising the financial returns to the State.

“We’ll also ensure the project is delivered in a timely manner at no cost and no risk to the State.

“Our decision to revisit the development of the Aurukun bauxite resource has the backing of the Aurukun community and traditional owners and has drawn strong corporate interest from Australia and overseas.

“I’ve held discussions with the Mayor of the Aurukun Shire Council Mr Derek Walpo, councillors and the directors of the Ngan Aak Kunch Aboriginal Corporation, which represents the native title holders — the Wik and Wik Way people.

“They have voiced their strong support for development of the resource, knowing it will mean jobs, better infrastructure and flow-on benefits through the many business enterprises that could be established to service the mine.”

The Member for Cook, David Kempton, applauded today’s announcement saying it heralded a new era of consulting with and involving indigenous communities in the economic development of Cape York.

Mr Kempton said the communities interests would be taken into account in the development of this exciting opportunity.

“The eventual development of this mine will bring enormous benefits to the people of Aurukun,” Mr Kempton said.

“I know the mine is something that the local people and traditional owners in the area are keen to see go ahead and I fully support their enthusiasm.”

The Deputy Premier said the Department of State Development, Infrastructure and Planning would manage the competitive bid process and the evaluation of EOIs would be conducted within an established probity framework.

“Proponents must be able to demonstrate experience in development and management of mines and associated infrastructure, experience in working with indigenous communities and traditional owners to negotiate outcomes, and the financial capacity to take on this scale of project,” Mr Seeney said.

“Interested companies are required to lodge their response to the EOI by 15 February, 2013.

“The Government intends to short-list up to five proponents to develop detailed proposals for the resource.

“Though the scope and configuration of proposals will be a matter for each proponent, it is not a requirement of this Government that proposals include an alumina refinery.

“The previous government’s hatched strategy of wanting to lease the bauxite to a company under the condition it established a

Bauxite resources near Aurukun in Cape York  
Submission 4

The previous government's botched strategy of wanting to lease the bauxite to a company under the condition it established a refinery or expanded refinery capacity was never going to work.

"Ultimately we'd like to see a preferred proponent selected by the end of next year," Mr Seeney said.

**The invitation for expressions of interest can be viewed at the Queensland Government website -**  
<http://www.dsdip.qld.gov.au/development-planning/aurukun-project.html> ( <http://www.dsdip.qld.gov.au/development-planning/aurukun-project.html> )

**[ENDS] 27 November 2012**

**Media Contact:**



# Media release

Deputy Premier, Minister for State Development,  
Infrastructure and Planning  
The Honourable Jeff Seeney

## Deputy Premier announces Aurukun shortlist

The Newman Government has finalised a shortlist of five groups to progress to detailed proposals of the Aurukun bauxite resource on the Cape York Peninsula.

The Deputy Premier and the Minister for State Development, Infrastructure and Planning Jeff Seeney today announced the shortlisted groups were Aluminum Corporation of China Limited (CHALCO), Australian Indigenous Resources Pty Ltd (AIR), Cape Alumina Consortium, Glencore International AG and Rio Tinto Aluminium Limited.

Mr Seeney said the development of the Aurukun bauxite resource was essential to the creation of a vibrant economic future for the Aurukun community, native titleholders and all Queenslanders.

“The Bligh Government’s failed strategy of demanding establishment of a refinery made development of the resource uneconomic. **We want to ensure the economic benefits of this resource flow back into the Aurukun community,**” Mr Seeney said.

“We will see these benefits through mining jobs and improvements to infrastructure and further benefits through businesses that could be established in Aurukun to service the mine.

“The shortlist includes Australian and international companies and has been narrowed down from seven expressions of interest lodged in February.

“The successful companies will now have until mid-September to submit their detailed proposals for the mine to the government for evaluation.

“The government is working towards a final decision on a preferred proponent by year’s end.”

Mr Seeney said **the commercial terms were based on the state’s key objectives for the development, namely that the project should maximise the benefits and returns from the project to the native titleholders – the Wik and Wik Way people represented by the Ngan Aak-Kunch Aboriginal Corporation (NAK) – and the Aurukun Shire Council.**

“The Newman Government will also ensure the project is delivered in a timely manner at no cost and no risk to Queensland, which will mean that all parties benefit,” he said.

Mr Seeney said the government could explore the option for both a large and small-scale development that may be able to coexist given the size of the Aurukun resource.

He said the government had been working closely with the NAK and Aurukun Shire Council on the retender since coming to office and that the close working relationship would continue throughout the remainder of the competitive bid process.

**“Our key objectives are to maximise the benefits and returns from the mine to the native titleholders and the Aurukun community and to maximise the financial returns to Queensland,” Mr Seeney said.**

“The native titleholders and the Aurukun community have voiced their strong support for development of the resource.”

**[ENDS] 23 April 2013**

**Media Contact:**

### Company Biographies

**Aluminium Corporation of China Limited (CHALCO)**



# Media release

Deputy Premier, Minister for State Development,  
Infrastructure and Planning  
The Honourable Jeff Seeney

## Bauxite bids fail to deliver for Cape indigenous groups

The Queensland Government has committed to work with mining companies and indigenous communities to ensure benefits flow from the development of bauxite resources on Western Cape York.

Deputy Premier and Minister for State Development, Infrastructure and Planning Jeff Seeney said after a considered assessment, the Government had decided not to accept two existing proposals to develop the Aurukun bauxite deposit because benefits for local communities were deemed to be insufficient, and timeframes for delivery of those benefits too long.

“When we came to government the process of developing these deposits was going nowhere given Labor’s insistence that proponents also build a refinery in Queensland,” Mr Seeney said.

“Our government shifted the focus away from a refinery and instead made the primary goal to deliver benefits to the people of Aurukun.

“In November 2012, we opened an Expressions of Interest process inviting proposals from companies interested in developing these bauxite deposits.

“We wanted proponents we could rely on to get this mine up and running in a reasonable timeframe and who could make a long term commitment to Queensland for the benefit of the traditional owners of Aurukun.”

Mr Seeney said the Queensland Government was determined to avoid the mistakes of the past, where companies were granted rights but were later unable deliver on the commitments they made.

“After carefully considering the proposals, the Government is not satisfied that either bid – from the Australian Indigenous Resources Pty Ltd (AIR) or Glencore International AG – could deliver what the Government had hoped for in a timely manner ,” he said.

“We have decided to bring this process to a close and revisit this development opportunity at a later date, rather than take a chance that the objectives might one day be satisfied by one of the proponents.

“The State Government remains interested in developing this resource for the benefit of the local community of Aurukun and all Queenslanders.

“Our door remains open to proposals which would develop these resources in a timely fashion, and to other resource developments on the Cape that have the potential to deliver economic benefits.”

**[ENDS] 12 March 2014**

**Media Contact:**

# Media release



Deputy Premier, Minister for State Development,  
Infrastructure and Planning  
The Honourable Jeff Seeney

## Government to drive for community benefits from Aurukun mine

The Queensland Government has today announced it would appoint Glencore International AG as the Preferred Proponent to develop the Aurukun bauxite deposit in Western Cape York.

The Deputy Premier and Minister for State Development, Infrastructure and Planning Jeff Seeney said since the Government's decision last March ruling out two other proposals, interest to develop the resource has remained.

"Our objective as a State Government has always been clear - to improve employment, health and educational opportunities for the people of Aurukun by unlocking the economic potential of this valuable bauxite deposit," Mr Seeney said.

"After continuing discussions with a number of parties, the Queensland Government considers Glencore is best placed in terms of both technical capability and financial strength to successfully take on this challenging development.

"Selecting Glencore as Preferred Proponent is our best opportunity to see this resource developed and to provide economic benefits not only for the people of Aurukun and Cape York Peninsula, but for all Queenslanders.

"As I have said previously, our government is determined to avoid the mistakes of the past, where companies were granted rights but were later unable to deliver on the commitments they made."

Mr Seeney said over the coming months the Government and Glencore will work together to finalise the commercial arrangements.

"Our highest priority through this process will be that this development delivers genuine outcomes for the community of Aurukun and other Cape communities," he said.

"Glencore has discussed an improved works schedule and has committed to milestones in the development of the deposit."

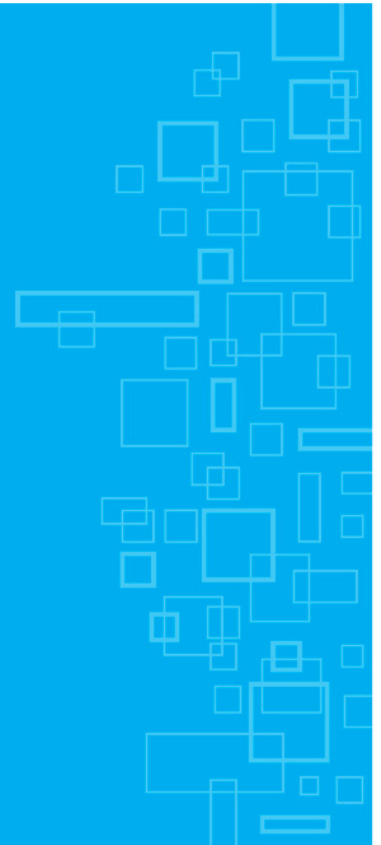
Mr Seeney said should a satisfactory agreement be reached, Glencore is expected to begin a feasibility study in 2015.

**[ENDS] 28 August 2014**

**Media Contact:**



Department of State Development, Infrastructure and Planning



# Aurukun Project

## Request for Detailed Proposal

April 2013

*RFDP closes 1pm 13 September 2013*



Queensland  
Government



RFDP or Request for Detailed Proposal	this Request for Detailed Proposal.
RFDP Response	a proposal submitted in response to the RFDP.
RTA Weipa	RTA Weipa Pty Ltd ACN 137 266 285.
State	the State of Queensland.
State's Objectives	the objectives for the Aurukun Project outlined at section 1.2 of this RFDP.
Virtual Data Room	the data room established by the State in relation to the Project as described in section 2.2.

# 1. Introduction

## 1.1 General

The State has evaluated the Expressions of Interest submitted for the Aurukun Project and now invites shortlisted Proponents to participate in the RFDP stage of the Competitive Bid Process.

Each shortlisted Proponent now has the opportunity to submit a RFDP Response for the Project that it considers best responds to the State's Objectives and Evaluation Criteria.

The State will evaluate the RFDP Responses with a view to identifying one or more Preferred Proponents to deliver the Aurukun Project.

## 1.2 State's Objectives

The State is seeking to identify one or more Proponents capable and willing, in a timeframe acceptable to the State, to develop the Aurukun Project.

The State's Objectives for the development of the Aurukun Project are to:

- maximise the benefits and returns from the Project to the Native Title Holders and the Aurukun community;
- maximise the financial returns to the State; and
- ensure that the Project is delivered at no cost and no risk to the State over the life of the Project.

Timely delivery of the Project is considered critical to maximise benefits to the Native Title Holders, the Aurukun community, the State and the region. The State will require the Preferred Proponent to commit to a timeframe for commencement and completion of a mine and associated infrastructure.

The Preferred Proponent will be required to commence work on the Aurukun Project as soon as reasonably practicable in accordance with the agreed development timeframes and not unreasonably delay commencing, continuing or completing the development of the Project.





## 8. RFDP Response Evaluation Criteria and Assessment

### 8.1 Overview

The State will form an evaluation committee comprising representatives from the Department of State Development, Infrastructure and Planning and various other State Government Departments.

The criteria which the State will use to evaluate RFDP Responses and a guide to the evaluation information requirements are outlined in section 8.2.

### 8.2 Criteria

The extent to which each RFDP Response satisfies the State Objectives is the key element of the selection of a Preferred Proponent. However, the assessment of the RFDP Responses against the Evaluation Criteria and the determination of ranking and interaction are all matters for the State to determine in its absolute discretion.

The following table outlines the State Objectives and the Evaluation Criteria that will be applied by the State to assess the Proponents' proposals. The table also contains references to sections of the RFDP which may assist Proponents in addressing the Evaluation Criteria. The references provided may not be exhaustive.

State Objectives	Evaluation Criteria	Section of RFDP
Maximise the benefits and returns from the Project to the Native Title Holders and the Aurukun community	Nature and quality of offer to the Native Title Holders  Nature and quality of offer to the Aurukun community  Nature and value of economic benefits to the Native Title Holders  Nature and value of economic benefits to the Aurukun community  Extent of proposed changes to the Aurukun Agreement	Offer or Final Negotiating Position (6.7 and 6.8)  Prefeasibility Study (6.4)  Project Plans (6.5)  Aurukun Agreement (6.6)
Maximise the financial returns to the State	Extent of proposed changes to the Aurukun Agreement  Value of financial return to the State	Project Plans (6.5)  Aurukun Agreement (6.6)  Development Premium (6.9)



State Objectives	Evaluation Criteria	Section of RFDP
Timeliness of development and commitment to project delivery	Level of commitment and deliverability based on: <ul style="list-style-type: none"> <li>• Strategic need</li> <li>• Technical viability</li> <li>• Financial viability</li> <li>• Overall viability of the proposal</li> </ul>	Executive Summary (6.1) Proponent Strategy (6.3) Prefeasibility Study (6.4) Project Plans (6.5) Aurukun Agreement (6.6) Requirements of State (6.10)
Ensure that the Project is delivered at no cost and no risk to the State over the life of the Project	Extent of proposed changes to the Aurukun Agreement  Extent of requirements of the State to be met	Aurukun Agreement (6.6) Requirements of State (6.10)

## 8.3 Evaluation Criteria Considerations

### 8.3.1 Nature and quality of the offer and nature and value of the benefits and returns from the Project to the Native Title Holders and the Aurukun community

In assessing the benefits and returns from the Project to the Native Title Holders and the Aurukun community, the following elements of each RFDP Response will be taken into account:

- The nature and quality of the Proponent's offer to or final negotiating position with the Native Title Holders and the extent to which it **demonstrates the commitment of the Proponent to working with the Native Title Holders in the development of the Aurukun Project;**
- The nature and quality of the Proponent's offer to or final negotiating position with the ASC on behalf of the Aurukun community and the extent to which it demonstrates the commitment of the Proponent to working with the Aurukun community and the ASC in the development of the Aurukun Project;
- As disclosed in the economic model prepared in accordance with sections 6.7 and 6.8, the **nature, timing, quality and achievability of the economic benefits** to Native Title Holders and the Aurukun community, noting that:
  - Economic benefits may be either monetary or non-monetary;
  - Economic benefits received earlier will be more highly regarded;
  - The nature of any proposed amendments to the Aurukun Agreement.