

QRC
submission

Working together for a shared future

QRC submission
Inquiry into Indigenous
economic development
in Queensland
including issues
surrounding Queensland's
Wild Rivers Act 2005

**Committee Secretariat
House of Representatives
Economics Committee**
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1. INTRODUCTION

The Queensland Resources Council (QRC) is the peak representative organisation of the Queensland minerals and energy resources sector. The QRC's membership encompasses mineral and energy exploration, production, and processing companies, and associated service companies. The QRC works on behalf of members to ensure Queensland's resources are developed profitably and competitively, in a socially and environmentally sustainable way.

QRC appreciates this opportunity to provide a submission to House of Representatives Economics Committee's Inquiry into Indigenous economic development in Queensland including issues surrounding Queensland's *Wild Rivers Act 2005*.

QRC members recognise that Industry's engagement with Indigenous people needs to be founded in mutual respect and in the recognition of Indigenous Australians' rights in law, interests and special connections to land and waters. This point is made even more acute by the fact that that many minerals operations in Queensland have neighbouring Indigenous communities.

These operations and projects provide significant opportunities for indigenous employment and training. This is particularly the case in Cape York and North West Queensland where the Wild Rivers legislation, through existing declarations, is already impacting on some of these opportunities.

QRC's indigenous policy and strategic plan recognises the need for thriving minerals and energy industries working in partnership with Indigenous communities for the present and future development of mineral resources and the establishment of vibrant, diversified and sustainable regional economies and Indigenous communities. Industry further recognises that the present and future operations of minerals and energy companies are inextricably linked to building and enhancing our strong relationships with Indigenous communities, and to meeting the needs of this generation without compromising the ability of future generations to meet their own needs.

This submission is structured to respond to the Committee's Terms of Reference, specifically the 'particular attention' components vis a vis:

- The nature and extent of current barriers to economic development and land use by people, whether Indigenous or non-Indigenous, including those involved in the mining, pastoral, tourism, cultural heritage and environmental management;
- Options for overcoming or reducing those barriers and better facilitating sustainable economic development, especially where that development involves Indigenous people;
- The potential for industries which promote preservation of the environment to provide economic development and employment for Indigenous people;
- The effectiveness of current State and Commonwealth mechanisms for appropriate preservation of free-flowing river systems which have much of their natural values intact, including the preserving of biodiversity;
- Options for improving environmental regulation for such systems;



- The impact of existing environmental regulation, legislation in relation to the resources sector and other relevant legislation on the exercise of native title rights and on the national operation of the native title regime and the impact which legislation in the form of the Wild Rivers (Environmental Management) Bill 2010 would have on these matters.



2. Summary

Since the development of the Wild Rivers Act in 2005, QRC has consistently maintained a position of not objecting to the concept of identifying Wild Rivers. The existence of a Wild River should be treated as a requirement to ensure a high standard of environmental control, under appropriate approval conditions. However the resources industry has continued to strongly reject the use of Wild Rivers as a trigger for blanket prohibition of use.

QRC continues to encourage a sound environmental, economic and social basis for all decision making, so as to maximise the benefits of resource development for the people of Queensland and minimise potential adverse environmental impacts on the wild river designated areas and features.

Despite attempts from a range of stakeholders, this concept has not been recognised within the Wild River Act, with no inclusion of the principle of Ecologically Sustainable Development (ESD) within the purpose of the Bill to make it consistent with the objects of the Environmental Protection Act (1994) and the Sustainable Planning Act.

QRC remains significantly concerned with the legislation's significant potential to sterilise mineral and energy resources without any due consideration and assessment of the economic and social impacts of doing so. QRC is concerned that the Queensland government has ignored its comprehensive and largely successful legislative provisions for the environmental assessment and conditioning of development proposals, particularly through the Environmental Protection Act.

During 2010, QRC was disappointed that the declaration of the Wenlock Wild River Basin saw the Cape Alumina Pisolite Hills project rendered unviable despite its huge potential and opportunities for economic and social development for indigenous and non-indigenous people on Cape York. While QRC supports protection of environmental values, it is disappointing that such a project was not able to undergo a rigorous environmental impact assessment process to identify all potential environmental, social and economic benefits and impacts, which would assist in maximising benefits to the local and regional area and communities.

QRC is now concerned that resource industry projects in the Lake Eyre Basin may face a similar fate, with the Queensland government declaration proposal for the Cooper Creek released on 14 December 2010 and the Georgina and Diamantina Rivers declarations due in the first quarter of 2011. In particular there is a lack of full geological data for these areas which prevents the government from understanding what resources may exist, and badly impacts the incentive for exploration in the region.

While QRC continues to support the identification of environmental values associated with Wild Rivers, QRC urges government to consider the protection of these within a framework of sustainable development, ensuring consideration of social and economic facets to ensure that benefits to local and regional communities as well as the environment are maximised.



3. QRC response to Terms of Reference criteria

The following section provides a response to the Committee's Terms of Reference, specifically the 'particular attention' components.

3.1. The nature and extent of current barriers to economic development and land use by people, whether Indigenous or non-Indigenous, including those involved in the mining, pastoral, tourism, cultural heritage and environmental management

Queensland has an extensive, and largely successful, regulatory framework for the protection of environmental values, and assessment and management of projects and activities with the potential to impact such values.

For mining and petroleum activities, this framework centres on the Queensland Environmental Protection Act 1999. The object of this Act is to "*protect Queensland's environment while allowing for development that improves the total quality of life, both now and in the future, in a way that maintains the ecological processes on which life depends*" (S.3). The Act states that in implementation of this, the "*protection of Queensland's environment is to be achieved by an integrated management program that is consistent with ecologically sustainable development*" (S.4). A phased approach to implementation is established through the Act, which recognises the need to identify environmental objectives, and determine and implement management approaches.

While this Act strives to provide overarching protection of the environment in Queensland, it is supported by a range of legislation and requirements which addresses in detail the protection of specific environmental values. This regulatory framework includes Acts such as the Water Act 2000, Nature Conservation Act 1992, Vegetation Management Act 199, and Coastal Protection and Management Act 1995. These pieces of legislation already offer significant protection for waterways of high ecological significance and biodiversity in Queensland.

The Wild Rivers Act adds a complex layer over this already-comprehensive approach to environmental protection. Furthermore, the requirements of the Act are not aligned with the overarching intent of ecologically sustainable development, with the wild rivers legislation ignoring the key components of social and economic development.

In 2010, QRC was disappointed that the declaration of the Wenlock Wild River Basin saw the Cape Alumina Pisolite Hills project rendered unviable despite its huge potential and opportunities for economic and social development for indigenous and non-indigenous people on Cape York. The restrictions placed on the project through the Wild Rivers declaration were so restrictive, it is anticipated that the project will not currently proceed with its environmental impact assessment process, let alone commence to production stage. This will prevent local communities and Queensland from considering the feasibility of this project based on a complete set of environment, social and economic considerations, and may result in significant lost opportunities for indigenous people in the immediate and surrounding area.



As stated in the summary QRC is greatly concerned that anticipated declarations in the Lake Eyre Basin area may prevent both greenfield and brownfield projects from being considered, based on all facets of sustainable development – environmental, social and economic impacts and opportunities.

Mining and petroleum operations in these areas provide a major portion of the employment opportunities available to local residents and workers from further afield and thus have a significant role to play in the continued growth and development of channel country communities and the wider state employment market. Without continued sustainable mining and petroleum operations, the future for local residents has the potential to become increasingly bleak or at the very least, fail to reach the level of prosperity that would result from the continued injections into the local economy.

One example is BHP Billiton's Cannington Mine, located in the channel country, approximately 140 kilometres south-southeast of the Cloncurry Township in North West Queensland.

BHP Billiton's proposal to extend the life of the mine to 2022 will generate an additional 140 employees during the construction phase, as well as 60 full-time jobs during operation.

BHP Billiton is committed to investing and supporting the communities in which it operates and Cannington Mine is no exception to this. The Mine is a significant contributor to the local economy. Over the past 12 years it has invested AUD\$9.5M in sponsorships, community infrastructure and sustainable community activities within the North West region.

Over a period of 20 years Cannington Mine has developed a close working relationship with local Indigenous groups of the region resulting in: extensive Cultural Heritage Management Plans covering existing and planned operations; an Indigenous Participation Plan; a unique cultural awareness and history course owned by the traditional owners of the region; and a new training and employment program for school leavers from the McKinlay and Cloncurry area.

The proposed declaration has introduced significant uncertainty for the mine's future as it is likely to impact some surface activities necessary for the existing underground mine. In addition, it will impact the proposed life extension project to convert part of the mine to open pit; and preclude potential future open pit mine development opportunities. Any impacts on the mine's viability will result in substantial negative impacts on the local community and community groups.

As previously indicated, and expanded on further in this submission, resource companies are generally already required under the existing *Environmental Protection Act 1994 (Qld)* and the *Environment Protection and Biodiversity Conservation Act 1999 (C'th)* to assess and mitigate any impact that might be made on the environment as a result of mining operations, and has developed specific management plans as part of the current Environmental Impact Statement process to manage these impacts. The additional *Wild Rivers Act 2005 (Qld)* legislation is burdensome to industry, particularly the declaration of blanket "exclusion zones" without scientific assessment of specific project impacts and mitigation measures.



As shown above, the *Wild Rivers Act 2005 (Qld)* legislation may have a substantial impact on the economic development of indigenous and non-indigenous communities dependent on mining as a constant source of employment and monetary input, as well as the state at large.

In the case of the Lake Eyre Basin, the issues are amplified by the lack of full geological data which prevents the government from understanding what resources may be in the area, and significantly nips in the bud any interest from explorers in applying for minerals and petroleum exploration permits.

At the 2009 state election, the Queensland government committed to 'establishing Queensland as the greenfield exploration capital of Australia by 2020'. This is clearly going to be difficult to achieve while the Wild Rivers Act continues to impede new resource projects and provide a major disincentive for exploration.

3.2. Options for overcoming or reducing those barriers and better facilitating sustainable economic development, especially where that development involves Indigenous people

To truly overcome barriers facing indigenous social and economic wellbeing, and support sustainable development for indigenous people, social and economic factors for indigenous and non-indigenous people need to be equal considerations with environmental protection.

The Wild Rivers Act in Queensland places strong emphasis on environmental values and environmental protection, however does not offer due consideration of social and economic factors. It is essential that a more balanced approach to considering the economic and social opportunities of any proposal is achieved, to ensure the overarching benefits are maximised in accordance with the principles of ecologically sustainable development. This is currently not being achieved through the Queensland Wild Rivers Act.

QRC would strongly recommend that the prohibitive elements of the Wild Rivers Act be removed, and instead the intention for protection of strong environmental values of such waterways be incorporated within the existing Queensland legislative framework.

A more integrated approach to sustainable development, and recognition of social and economic development opportunities, is strongly supported by the resources sector, and this philosophy can be seen in action in North West Queensland, where the North West Queensland Indigenous Resources Industry Initiative (NWQIRII) has been established as a partnership between QRC, the Queensland Government and the Commonwealth Government.

The purpose of the Initiative is to streamline and optimise government and industry efforts directed towards improving indigenous participation in the resources sector and maintain the on-going resource industry's 'social licence to operate'. Its vision is to improve and sustain indigenous wealth and prosperity in the NWQ resources sector by targeting and supporting increased participation and outcomes in education, employment and business development.



The initiative stems from a Memorandum of Understanding (MoU) signed by the QRC and the Queensland Government in July 2007 to increase indigenous employment in the state's resources sector and related indigenous enterprise development. The initiative also offered the opportunity to build on the MoU signed by the Minerals Council of Australia and the Australian Government in June 2005, which aims to work in partnership with indigenous people to build 'sustainable, prosperous communities in which individuals can create and take up social, employment and business opportunities in mining regions'.

The delivery of the initiative is organised around its twin goals of increasing Indigenous employment in the resources sector and increasing the opportunities for Indigenous businesses to gain work in the resources sector.

To date, the Initiative has already achieved significant outputs, including a statement of minimum requirements to assist indigenous jobseekers in better understanding the minimum achievements necessary to seek employment in the resource sector. The initiative has also led the development of 'employment passports' to enable indigenous job seekers to develop an online and interactive resume, and facilitate improved engagement with potential resource sector employers.

This Initiative has only been successful with the collaborative support of resource sector companies in North West Queensland, the Queensland government and Commonwealth government. However unfortunately the future of the Initiative is being jeopardised by processes such as Wild Rivers which have the potential to limit industry activities in the region, and thus reduce the pool of company support. This is of particular concern with the proposed Wild River declarations in the Lake Eyre Basin. This region extends to the headwaters of the Basin, and may render a number of greenfield and brownfield projects in northern Queensland unviable.

3.3. The potential for industries which promote preservation of the environment to provide economic development and employment for Indigenous people

To date there has been little detailed investigation, despite government claims to the contrary, around potential industries and employment opportunities which promote the preservation of the environment, while also providing economic development and work opportunities for Indigenous people.

In establishing the *Wild Rivers Act*, the Queensland government has promoted the associated opportunities for employment of indigenous people as Wild River Rangers. However since the commencement of the Act in 2005 only 27 people have been employed. While recognising the benefits this program may offer, it has not to date offered large scale benefits or improvements, or sufficient employment opportunities to overcome indigenous economic disadvantage.

Furthermore, this program focuses solely on employment in the narrow field of environmental protection, and does not offer opportunities for indigenous people beyond the restricted scope of ranger positions. This neither recognises the desires of people to follow different employment and career opportunities, nor does it assist in creating the broad economic base on which long-term economic and social sustainability are built.



The resources industry is keenly aware that indigenous people should be offered as broad a range of employment pathways and opportunities as possible. For this reason, the North West Queensland Indigenous Resource Industry Initiative, as described above, supports indigenous people to seek employment in a range of fields, both directly and indirectly related to the resources sector (such as construction), as well as broader opportunities. For example, the Initiative recognises the importance of improved educational attainment by Indigenous students in primary schools and the transition to, and retention at, high school, as well improved transition to apprenticeships and traineeships. It is well recognised that many of these students will not enter the workforce in a role directly or indirectly related to the resources sector. However through providing them the skills and support to gain employment, the Initiative has offered a key and often significant benefit to the broader economic and social sustainability of the community in which they live and participate.

QRC would strongly recommend there is a need to undertake a detailed study and analysis into potential industries which may provide economic development and employment for Indigenous people. This should consider industries in the environmental protection field; however also place this within the scope of broader employment. Analysis should be undertaken to identify the range of different opportunities, and employment and development which enhance broader social and economic wellbeing. QRC would suggest this is a key role for government in supporting indigenous communities, and assisting in 'closing the gap'.

3.4. The effectiveness of current State and Commonwealth mechanisms for appropriate preservation of free-flowing river systems which have much of their natural values intact, including the preserving of biodiversity

As described in Section 3.1, Queensland has an extensive, and generally successful, regulatory framework for the protection of environmental values, and assessment and management of projects and activities, largely based around the Environmental Protection Act.

Through this and other legislation, Queensland has a well established and effective Environmental Impact Assessment process which enables the potential environmental impacts and mitigation measures to be integrated and considered together with economic and social impacts and opportunities within a framework of sustainable development. This enables any negative impacts of projects and activities to current and future generations to be minimised and managed, while opportunities and benefits can be maximised.

The Queensland *Wild Rivers Act* adds a complex and often contradictory layer of legislation over this process. As described above, prohibitions in a wild river area can render a project unviable before a full environmental impact assessment, considering the social, economic and environment impacts and benefits, can be undertaken.

To address this, QRC considers that the existence of a Wild River should be treated as a requirement to ensure a high standard of environmental control, under appropriate approval conditions and not as a trigger for blanket prohibition of use. As such, it would offer a key aspect for consideration within an environmental impact assessment, enabling consideration within the complete framework of environment, social and economic opportunities and benefits.



Under such an approach QRC has no objection to the concept of identifying Wild Rivers, however the current management of identified Rivers under the existing complex and contradictory legislative framework is unnecessary and does not fit well with other requirements and processes.

In addition to the lack of consideration of social and economic factors, many proposals made under the Wild Rivers Act have lacked robust environmental assessment and scientific information. This has been particularly apparent during establishment of high preservation areas and setback distances, when in some instances decisions have been based on little scientific evidence and often no ground-truthing. Furthermore, in a number of instance there has been significant discrepancies between different scientific studies in Wild River areas.

3.5. Options for improving environmental regulation for such systems

With the extensive existing regulatory framework, QRC considers that there is no need for additional legislation. However QRC believes that opportunities exist for improving the existing requirements and processes, particularly to ensure requirements and regulations are complementary and operate within existing frameworks.

As discussed above, the Environmental Impact Assessment process offers a well-established and successful framework for the consideration and integration of all aspects of the environmental, social and economic factors of a project or proposal. It is suggested that should Wild Rivers be identified, they should be treated as a requirement to ensure a high standard of environmental control, under appropriate approval conditions and not as a trigger for blanket prohibition of use in certain, often large parts, of the wild rivers area.

Furthermore, QRC would support greater non-regulatory solutions to supporting economic development and sustainability for indigenous people, particularly detailed study and analysis into potential industries, including environmental, which may provide economic development and employment for Indigenous people.

3.6. The impact of existing environmental regulation, legislation in relation to mining and other relevant legislation on the exercise of native title rights and on the national operation of the native title regime and the impact which legislation in the form of would have on these matters

QRC is unable to comment in detail on the interrelation between native title rights and legislation, and the current Wild Rivers Management Act, or the Wild Rivers (Environmental Management) Bill 2010.

However QRC does not support any legislation which has the potential to reduce the opportunities that can be provided by the resources sector through native title agreements. Native title agreements are used extensively, and offer significant opportunities for indigenous people and communities across Queensland.



4. CONCLUSION

In conclusion, QRC appreciates this opportunity to provide a submission to the House of Representatives Economics Committee's Inquiry into Indigenous economic development in Queensland including issues surrounding Queensland's Wild Rivers Act 2005.

We would like to reiterate our fundamental position that, since the development of the Wild Rivers Act in 2005, QRC has consistently maintained a position, in individual declaration submissions and overall on the legislation itself, that QRC overall has no objection to the concept of identifying Wild Rivers.

However the existence of a Wild River should be treated as a requirement to ensure a high standard of environmental control, under appropriate approval conditions and not as a trigger for any blanket prohibition of use. QRC continues to encourage a sound environmental, economic and social basis for all decision making, so as to maximise the benefits of resource development for the people of Queensland and minimise potential adverse environmental impacts on the wild river designated areas and features.

QRC remains very concerned with the legislation's significant potential to sterilise mineral resources without any assessment of the economic and social impact of doing so. The government has continued to ignore that Queensland already has sufficient legislative provisions for the environmental assessment and conditioning of development proposals such as the Environmental Protection Act.

In improving the existing processes and frameworks, QRC would support greater *integration of wild river values within existing legislative processes and frameworks, particularly the environmental impact assessment process*. QRC would encourage removal of blanket exclusion and prohibitions from Wild Rivers areas, instead using of identified wild river values as a requirement to ensure a high standard of environmental control under appropriate approval conditions. This would offer a key aspect for consideration within the overarching environmental impact assessment process, enabling consideration within the complete framework of environment, social and economic opportunities and benefits.

Should future Wild River areas be declared, QRC strongly advocates for due consideration to economic and social aspects, and resist decisions based purely on environmental considerations. These three facets of sustainable development should be integrated in all policy and assessment.

Furthermore, QRC will continue to support economic and social development of indigenous people. QRC would *encourage governments to undertake detailed study and analysis into potential industries, including but not solely environmental, which may provide economic development and employment for Indigenous people.*



In supporting economic and social development of indigenous communities, QRC and resource industry companies will *continue to work closely with state and commonwealth government agencies to implement collaborative initiatives throughout Queensland to support indigenous employment and economic participation*. In particular, QRC is looking forward to further successes of the North West Queensland Indigenous Resource Industry Initiative as it matures, enabling ongoing employment and economic participation opportunities for indigenous people. It would be exceptionally disappointing to all parties if the implications of future wild river declarations made the continuation of this and other similar initiatives unviable, due to a lack of resource sector projects and developments.

For more information

If you would like to discuss any aspect of the attached QRC submission further, please don't hesitate to contact QRC's Director, Environment and Social Policy, Frances Hayter on francesh@qrc.org.au or 0417 782 884.