



27 August 2008

The Secretary
Senate Standing Committee on Rural and Regional Affairs
PO Box 6100
Parliament House
Canberra ACT 2600

Via email: rrat.sen@aph.gov.au

Re. Senate Rural and Regional Affairs and Transport Committee – Inquiry into Natural Resource Management and Conservation Challenges

Dear Secretary

The Minerals Council of Australia (MCA) welcomes the opportunity to provide comment on Natural Resource Management in Australia. Members of the MCA, representing over 85% of minerals production in Australia, have a long-standing commitment to sustainable development including the responsible stewardship of natural resources. In many locations in regional and remote Australia mining companies are the most significant local contributor to natural resource management outcomes.

The MCA is particularly interested in commenting on three inquiry matters:

- the overall costs and benefits of a regional approach to planning and management of Australia's catchments, coasts and other natural resources;
- the need for a long-term strategic approach to natural resource management at the national level; and
- the capacity of regional NRM groups, catchment management organisations and other national conservation networks to engage...

Whilst generally supportive of the regional NRM governance model, the minerals industry considers that there are substantial opportunities for improvement, particularly related to the better-integration, engagement and cooperation of existing NRM agencies with non-agricultural landscape managers.

The industry considers the development of cooperative landscape management frameworks, that incorporate all landscape managers, provides the most efficient model for further landscape planning and subsequent sustainable development.

These suggestions are explained further in the attached submission. Should you have any further questions regarding this issue, please do not hesitate to contact me directly, or Dr Jason Cummings – Assistant Director Environmental Policy on 02 6233 0627, who has carriage of this matter in the MCA Secretariat.

Yours sincerely,

MELANIE STUTSEL
DIRECTOR – ENVIRONMENTAL AND SOCIAL POLICY

Executive Summary

The Australian minerals industry is a significant contributor to natural resource management outcomes in regional and remote Australia. As the minerals industry has expanded and improved its sustainable development performance, there has been an increasing effort by minerals companies to invest in landscape management far-beyond mandated requirements. The capital invested by industry can be commensurate with Commonwealth funding for some regions.

Industry is concerned that the traditional approach to 'natural resource management' by the Commonwealth Government, in focussing on investment in the agricultural sector has been too narrow, and supported duplicate and overlapping, but not integrated, land use planning and management processes.

The MCA considers that there are considerable benefits in the regional approach to natural resource management, but that it is still too fragmented to be considered 'integrated'. The minerals industry is concerned that there have been opportunities lost, and opportunity costs incurred, due to the lack of a strategic whole-of-landscape approach, specifically via:

- Missed opportunities to leverage and partner with industry investment in the landscape;
- Lack of strategic consideration of the best application of industry's NRM resources in the landscape;
- Lack of strategic use of the vast volumes of ecological and environmental quality data collected and reported by industry;
- Lack of use of the regional capacity and capability of industry in natural resource management in regional and remote areas;
- Potential future resource use limitations through the ad-hoc nature of offset and conservation covenant placement in the landscape; and
- Lack of communication with all stakeholders regarding the potential future land use limitations, and the social, economic and environmental consequences of those decisions, through conservation covenants and other land tenure changes.

The MCA strongly supports the Commonwealth being more proactively involved in developing and establishing long-term strategic approaches to natural resource management. *Especially natural resource management that is integrated across the landscape.*

With improved alignment between government and industry initiatives, there will be increased capacity to deliver on-the-ground outcomes. An improved landscape planning model will better-leverage against industry's investments in on-ground activities, as well as routine ecological and environmental quality monitoring, reporting and communication activities.

The MCA envisages the benefits of a truly integrated regional natural resource management model to include:

- The most efficient allocation of limited NRM investments in the landscape;
- More efficient planning and stakeholder engagement processes (including data acquisition and analysis, reduced stakeholder burn-out);
- Reduced risks related to overallocation of scarce resources, including land and water resources, to inefficient users;
- Better consideration and strategic alignment of systemic cumulative impacts, positive and negative, from all landscape activities;
- Increased capacity to respond to changes in resource availability through climate change; and
- Reduced likelihood of land use planning conflicts, since all stakeholders can be involved in a long-term strategic land use planning process.

Introduction

The Minerals Industry is a Significant Natural Resource Manager in Regional and Remote Australia

Although the immediate direct footprint of our operations is small, increasing from 0.02% (DAFF 2006) to 0.2%¹ of the landscape in the last decade, the impacts of our operations in the landscape can be locally significant, not well understood, and easily attract attention from other landscape managers. Despite this low footprint, the Australian minerals industry generates approximately 8% of national GDP, compared to 3% GDP from agriculture, which uses approximately 50% of the landscape.

Because the local impacts of an operation are obvious in the landscape, the land use is temporary [with leases to be transferred back to the government], and poor environmental performance had historically resulted in legacy sites, the industry has now had several decades of tight regulation regarding environmental performance, including 'natural resource management' on the land it manages. In several areas of natural resource management, this has led to the investment in research, and development of leading practice, upon which many current activities are based. For example, the minerals industry has led the development of technologies for rehabilitation, including on-ground activities and frameworks for rehabilitation planning, monitoring and reporting. Other examples include the development of leading practice for stakeholder engagement, impact assessment and site water management. Of course, these initiatives have been undertaken with other partners, including regulatory authorities, academic institutions and other land holders.

Some evidence of this leadership is demonstrated by:

- The international scientific journal *Restoration Ecology* recently devoted an entire issue (2007: 15 s4) to the initiatives of Alcoa in managing and rehabilitating Jarrah Forest in Western Australia;
- The Commonwealth Environment department documenting best practice environmental [and natural resource management] for the mining industry through the 1990's, which provided guidance for a variety of stakeholders;
- The 2006 State of the Environment report ('SoE 2006'; Beeton et al. 2006), which recognised:
 - ⇒ '...many environmental issues are addressed by industry and mining groups at a standard that exceeds that of public sector groups. In some instances, the corporate knowledge base is higher in the private sector than in the public sector. In the longer term, this will cause problems in environmental reporting unless the environmental reporting systems are adapted to include these sectors.'
- In the single financial year 2000-2001 the minerals industry spent \$98 million on 'minesite rehabilitation' within 0.2% of the landscape (ABS 2002; not CPI indexed for comparison), roughly 10% of the total investment of NHT2 and NAP (ANAO 2008), which was spread across several years and approximately 50-70% of the landscape.

Traditionally, the investment that mining operations made in landscape management was mandated by regulatory authorities through the impact assessment process. However, companies now recognise that initiatives to better manage their non-operational lands beyond duty of care requirements reflect on their 'social license to operate'. Accordingly there has been an increasing effort by minerals companies to invest in landscape management far-beyond mandated requirements. Some of these examples include partnerships with NHT-funded bodies, and all include local community engagement:

- The Lake Cowal Foundation: <http://www.lakecowalfoundation.org.au/> in Western NSW
- The Anglesea Heath Cooperative Agreement: http://www.alcoa.com/australia/en/info_page/anglesea_strong.asp in Eastern Victoria

¹latest BRS compilation of ACLUMP (Australian Collaborative Land Use Mapping Programme) Catchment Scale Land Use data

- The Bendigo Mining Environment Fund:
http://www.bmnl.com.au/our_environment/community_relationship/environment_fund.htm chaired by the Mayor of Bendigo
- Biodiversity Assessment in the Bowen Basin: <http://www.fba.org.au/programs/miningbiodiversity.html>
- Biodiversity Assessment and Planning in the Pilbara with the Australian Museum:
<http://www.austmus.gov.au/riotintopartnerships/pilbara/outcomes.htm>

The minerals industry is a significant manager of the landscape, particularly in regional and remote Australia, where our investments in monitoring, reporting and on-ground natural resource management outcomes are ever-increasing. Our response to this inquiry has been framed by the MCA's *Land Management Working Group*, based on industry's experience in natural resource management activities across Australia.

Why Improve the Regional NRM Model?

The MCA considers the following as key challenges faced in regional natural resource management:

- The fragmented approach to managing a connected system;
- Increasing reliance on industry to undertake traditional government responsibilities, without strategic support and appropriate recognition; and
- Lost opportunities for best-returns on investments through lack of coordination.

Striving for an Integrated Approach

Gorrie and Wonder's (1999) manuscript which framed the governance arrangements for the NHT era called for an 'integrated approach' to natural resource management. Their vision for rural industries identified 'innovative landholders of the future [which will fully integrate environmental outcomes]' into their business models, which would provide a foundation for rural economies and for wealthy and vibrant rural communities. The 'integrated approach' was really aimed at integration of water, soil and vegetation management for the agricultural sector, which is 'integration' across half of the landscape.

The subsequent Act, which established the NHT process was similarly limited in that it refined 'natural resource management' to those activities, that were related to soil, water and vegetation management. The focus of the activities under NHT was then appropriately targeted at improving practices and outcomes for the agricultural sector, and the 60% of the landscape under their stewardship.

It is only humans that perceive the landscape as a fragmented matrix of commercial sectors and uses. The landscape responds to our interventions in its entirety, and our planning and management of the landscape should be integrated to align with landscape processes (Briggs 2001).

Across the NHT era, landscape planning for natural resource management, including funding for repair and decisions about where those investments are placed, has been undertaken by a variety of agencies, often within and across the same physical areas, including:

- Local government (e.g. statutory 'local environment plans', particularly at the rural – urban interface);
- State government agencies (e.g. utilities – 'infrastructure planning', conservation agencies – 'biodiversity strategies', water planning authorities – 'statutory water plans');
- Regional NRM organisations (e.g. 'catchment action plans');
- Commonwealth land managers (e.g. Department of Defence & Commonwealth Parks agencies); and
- Commonwealth, State and Local Government development approval processes (e.g. which additionally determine where NRM 'offset' resources are placed in the landscape, with or without strategic planning support).

Recently the Commonwealth and WA State Governments have proclaimed 'strategic assessments' under the EPBC Act as another vehicle for regional planning. This fragmented approach is likely to continue without due consideration

of its efficiency. These traditional duplicative, part overlapping, and often conflicting land use planning processes can result in considerable land use conflicts or inefficiencies, for example:

- Overallocation of water resources within a basin, based on perceived land use capability outweighing water availability;
- Wasted resources in planning processes, and as noted in Seymour et al. (2007), burn-out of heavily engaged stakeholders;
- Potential limitations on future land uses based on the location of offset arrangements or conservation agreements, that do not consider future land use options;
- A lack of understanding amongst stakeholders regarding land use planning, access arrangements, future land use potential; and
- A fragmented approach to stakeholder engagement, resulting in stakeholders being unaware of the implications of some land use planning decisions on their future social and economic opportunities.

There is surely a better, truly integrated, landscape planning model.

Leadership from the Commonwealth is required. There are currently two separate Senate inquiries, investigating 'conservation and natural resource management' and the operation of the 'Environmental Protection and Biodiversity Conservation Act'. Recommendations from these inquiries should be consolidated into a coordinated vision for landscape planning and management in Australia.

The Increasing Role of Industry in Regional and Remote Natural Resource Management

As our member companies have become more pro-active in engaging and implementing landscape management beyond operational land, expectations from government and other stakeholders have risen, such that this is now considered the baseline industry contribution from some stakeholders. The role of government and industry in regional and remote Australia, vis a vis natural resource management, is beginning to blur (as also noted as a requirement for sustainability in SoE 2006). For example, in 2007, a single operation in Western Australia was required to provide over \$7.3 million for a range of activities that have traditionally been the role of government conservation and NRM organisations, including:

- Funding for government conservation agency personnel;
- Funding for regional conservation and other stakeholder non-government organisations (ongoing and establishment); and
- Development of threatened entity recovery plans.

This investment from the mining company, in NRM activities in one region, is greater than the sum of Commonwealth NHT2 and NAP funding for the ACT, and 8% of the total NHT2 funds provided by the Commonwealth to the West Australian Government (based on ANAO 2008 figures).

These investments are additional to the mining company's duty of care requirements to manage the landscape that they control (e.g. noxious weed and feral animal management), site environmental compliance (including rehabilitation activities), and supplementary to royalty payments and taxes that will also be paid to governments. These activities were negotiated as a response to development pressure, rather than part of a proactive and long-term strategic approach to regional land use planning.

The MCA's concern here, is that industry's substantial contribution to landscape management, is often not being implemented as part of a long-term strategic landscape planning and management process, and therefore, may not lead to the best outcome possible.

Although some communities and regions have worked together to develop more integrated planning models, including those engaging with industry (see case studies above), there is a clear need from the Commonwealth for leadership in the promotion and development of more mature, and truly integrated, land use planning models.

Opportunities Lost

The fragmented approach to landscape planning, and natural resource management investments has led to opportunities being lost. Industry collects data, undertakes reporting and invests in landscape management activities at time-scales beyond the political process. A long-term landscape planning process, more robust to changes in political governance, would provide industry and regional landscape managers, with more certainty that investments made were supporting a long-term strategic plan.

For example, the ad-hoc nature of placing investments in landscape repair through NHT, has rarely considered whether those locations may be subject to future minerals exploration or mining licenses, potentially resulting in future land use conflicts and wasted resources. A long-term strategic land use plan would identify potential minerals prospectivity areas, no-go areas for minerals exploration, and areas of high-importance for landscape investments, providing all landscape managers and investors with confidence that their actions are well-placed via strategic coordination.

Such a landscape planning process would specifically:

- Reduce inefficient allocation of resources available for landscape management (e.g. industry offset resources not applied for the best strategic outcomes – and usually negotiated in response to local development pressure, rather than prioritised through an integrated planning process);
- Reduce wasted on-ground resources (e.g. industry offsets resources applied to follow leading practice, and regulatory requirements, whilst other landscape elements, perhaps strategically more important, are not managed to duty of care standards); and
- Utilise the ecological and other environmental quality data collected and reported by industry in a systemic manner, rather than having it simply filed for regulatory process.

Is a Better Model Available?

The minerals industry is proud of its contribution to natural resource management, and environmental management more broadly, and will continue to strive for performance improvements. See **Attachment 1** for the MCA's land use policy.

Based on our experience working and investing in these landscapes, we have several suggestions for improvements regarding the regional natural resource management model:

1. It should be truly integrated, to incorporate all landscape managers;
2. It should be truly integrated, to incorporate all current and proposed land use activities; and
3. It should be appropriately resourced, which wouldn't require more resources, just a realignment of existing resources.

The SoE 2006 noted:

National capability is being built at the scale of the whole landscape. This involves multiple land tenures of both public and private land, and integration of conservation and development. It has created a regional delivery system that places enormous demands on regional groups and local government.

By developing a model for regional natural resource management that incorporates all land users and managers, the following benefits would be achieved:

- More strategic alignment of industry environmental investments in broader landscape priorities;
- Better leveraging and use of industry environmental monitoring and reporting (which is largely unused, beyond regulatory compliance, despite millions being invested monthly);
- Better communication and engagement between industry and other landscape managers, such that lessons-learned by industry in natural resource management can be shared;
- More efficient opportunities for partnerships to be developed; and

- Land use planning conflicts and inefficiencies could be more readily avoided, through all stakeholders being involved and informed of implications of land use decisions through planning processes.

In 1976 Gibson and Timmons outlined a 'Multi Goal Land Use Model' where land use planning was viewed as an ongoing process, and required a model for 'projecting future non-agricultural and agricultural land uses under varying assumptions and alternative public policies'. That imperative remains, and is stronger with the uncertainties brought by climate change, the Commonwealth's policy response to climate change, and the 'shrinking of the world' from trade, communication and technological perspectives.

The difference between the 1970's and now is not the planning processes we have adopted, they seem to have the same flaws, but rather the tools that we have at our disposal to support the Gibson and Timmons' vision.

In Australia we have several proposed models that could be used to inform the development an integrated land use planning model (incorporating water, land, vegetation and minerals resources), which can guide NRM investment from governments, industry and other stakeholders. The Marine Parks Planning Model, the EPBC Act Strategic Assessments process, the eco-civic regional models, and the existing regional NRM model for the development of catchment action plans (or similar in other jurisdictions).

An analysis of the strengths and weaknesses of each approach should be undertaken, to develop a better model, that integrates all landscape users and stakeholders in the decision making process. Clearly the control and management of different elements of the landscape will remain fragmented, but there is no reason that the planning across landscapes cannot be integrated (since it is simply a process).

The guidelines for the re-badged NHT, *Caring for our Country*, has not limited its investment to the agricultural sector. This is an important first-step acknowledgement that other landscape users are crucial in developing an efficient national environmental support program. However, it will take time and resources to realign the Commonwealth Government's personnel, funding and communication frameworks, and general philosophy to develop a whole-of-landscape approach to prioritising investments. Additionally, a more mature approach to landscape management requires other stakeholders to be collaborative and invest in improving engagement and planning processes.

It will take time, but a new government represents an opportunity for new leadership and new (?) ideas in natural resource management, and from a minerals industry perspective, the greatest opportunity lies in improved land use planning, engagement, and activity in a whole-of-landscape approach. Our major concern is that our present significant investments in landscape management are not appropriately supported by a strategic land use planning process, and therefore may not be the most efficient application of those resources.

Summary Comments

1. Regarding **'the overall costs and benefits of a regional approach to planning and management of Australia's catchments, coasts and other natural resources'**

The MCA considers that there are considerable benefits in the regional approach to natural resource management, but that it is still too fragmented to be considered 'integrated'. The minerals industry is concerned that there have been opportunities lost, and opportunity costs incurred, due to the lack of a strategic whole-of-landscape approach, specifically via:

- Missed opportunities to leverage and partner with industry investment in the landscape;
- Lack of strategic consideration of the best application of industry's NRM resources in the landscape;
- Lack of strategic use of the vast volumes of ecological and environmental quality data collected and reported;
- Lack of use of the regional capacity and capability of industry in natural resource management in regional and remote areas;
- Potential future resource use limitations through the ad-hoc nature of offset and conservation covenant placement in the landscape; and

- Lack of communication with all stakeholders regarding the potential future land use limitations, and the social, economic and environmental consequences of those decisions, through conservation covenants and other land tenure changes.

The MCA envisages the benefits of a truly integrated regional natural resource management model to include:

- The most efficient allocation of limited NRM investments in the landscape;
- More efficient planning and stakeholder engagement processes (including data acquisition and analysis, reduced stakeholder burn-out);
- Reduced risks related to overallocation of scarce resources, including land and water resources, to inefficient users;
- Increased capacity to respond to changes in resource availability through climate change; and
- Reduced likelihood of land use planning conflicts, since all stakeholders can be involved in a long-term strategic land use planning process.

2. Regarding **'the need for a long-term strategic approach to natural resource management at the national level'**; and

The MCA strongly supports the Commonwealth being more proactively involved in developing and establishing long-term strategic approaches to natural resource management. *Especially natural resource management that is integrated across the landscape.*

The predicted international demand for the minerals industry commodities is strong (Access Economics 2008), and the future sustainable development of some regions, particularly in northern Australia (Commonwealth of Australia, 2020 Vision report, 2008), is intrinsically linked with development of that potential. To avoid a 'Murray-Darling Basin style' misalignment of land use planning and resource availability, significant investment in an improved resource planning process is required. This is particularly important for regional and remote areas, where there is not capacity to undertake these tasks.

Blanch (2008) called for new cooperative governance arrangements for northern Australia, to enable sustainable development. The MCA welcomes that sentiment, but encourages incorporation of other stakeholders into the governance arrangements, since in many areas, industry is already contributing to governance in these regions. Additionally, history aside, there is no reason more cooperative arrangements cannot be established elsewhere in Australia.

The SoE 2006 noted that mining will underpin the ongoing viability of some regional and remote communities, especially small towns. Many of these small towns are typically in remote locations, where resource planning has not been properly conducted. Similarly, when irrigated agriculture began in the Murray-Darling Basin, all the towns were small. To avoid resource use conflicts in the long-term, better strategic land use planning is required. There is a role, at the national level, to develop frameworks and processes for better land use planning and natural resource management at the regional level. Some preliminary work needs to be undertaken to define that role, rather than assuming a continuance of the previous models.

3. Regarding **'the capacity of regional NRM groups, catchment management organisations and other national conservation networks to engage...'**

With improved alignment between government and industry initiatives, there will be increased capacity to deliver on-the-ground outcomes. An improved landscape planning model will better-leverage against industry's investments in

on-ground activities, as well as routine ecological and environmental quality monitoring, reporting and communication activities.

The acceptance under *Caring for our Country* that funding is available to any party that can demonstrate nationally-significant outcomes is an important first step to developing better-integrated approaches.

However, the MCA would reiterate that better, whole-of-landscape approaches to planning and management would make the most efficient use of the scarce resources available.

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MINERALS COUNCIL OF AUSTRALIA LAND USE POLICY



Access to land and its responsible management is critical to the mining industry.

Whilst the total area of land disturbed is relatively small, the nature of the mining activities can result in significant long-term impacts.

Accordingly, Australian minerals companies have adopted the following vision to deliver sustainable land use outcomes:

Australian mining companies will be recognised as responsible stewards of the land by delivering long-term balanced economic, social and environmental outcomes.

The MCA advocates the application of the following principles to achieve this vision:

Land use planning and access

- Land use planning should facilitate compatible land uses to maximise economic, social, cultural and conservation values for the benefit of current and future generations
- Land use planning should be holistic with integrated consideration of cultural, environmental and economic values
- Mining, conservation and other land uses can be complimentary as sequential or neighbouring activities
- The rights and knowledge of traditional owners and community stakeholders should be considered in integrated land use planning processes
- Planning decisions that impact access and use arrangements should be ethical and transparent, and consider the social, environmental and cultural implications of developing or sterilising mineral resources

Land management

- Mining activities should minimise disturbance, and provide for ongoing progressive rehabilitation, directed at achieving an agreed final land use
- Non-operational land should be managed responsibly considering adjacent and future land uses

Future landuse

- Mining planning activities will pro-actively engage stakeholders on an ongoing basis and consider changing circumstances
- Closure standards should reflect agreed expectations for the post-closure land use

May 2008