

## **PENINSULA BUSINESS ALLIANCE**

### **SUBMISSION TO SENATE REPORT ON BAUXITE RESOURCES NEAR AURUKUN 13 March 2016**

#### **Request for Consideration Despite Late Submission**

We are aware this submission is beyond time. However, despite commitments By PM & C in August 2015, it has been an extraordinarily lengthy process to achieve closure and funding. We are only now in a position to commit to support such a submission. As the only organisation of this type in Australia, with indigenous grassroots stakeholder interests promoting a collective response in the interests of all resident commercial stakeholders, and representing both the Councils and these commercial stakeholders most affected by this project, we seek you exercise your discretion to consider our proposal.

#### **Standing**

The Peninsula Business Alliance (PBA) is a Cape York (CY) based organisation which represents the commercial interests and aspirations of its members, which include Indigenous Town Councils, traditional owners and the overwhelming majority of commercial enterprises, including pastoralists, resident on Cape York. Whilst instigated by Indigenous interests, and in particular the Council of Indigenous Mayors (CIMA) which includes Aurukun, Napranum and Mapoon, and predominantly Indigenous in its membership in line with the demographic of the Cape, the PBA is inclusive of all those residents of the Cape with commercial aspirations.

It was developed without assistance over 18 months, and has recently received a commitment of funding from PM&C to formalize its organisational structure and governance platform.

The PBA's primary development catalyst was the Cape York Infrastructure Package and the desire of its members to change the traditional attitudes of Federal and State Government, and contractors based outside Cape York, in order to optimise the economic opportunities for themselves and/or their communities which might arise now and in future. In this way, infrastructure development would truly empower local residents, organisations and communities, and maximize the investment which remained in remote country.

#### **All this aligns precisely with Federal Government policy in this area.**

There has been some success in the first year of the PDR upgrade (2015) with at least 5 members of the PBA participating in construction activities, as well as a significant commitment from resident labor, and it is expected that PBA member participation will increase substantially in current year.

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The other catalyst was the growth in bauxite opportunities on the Western Cape from Aurukun north to Skardon River, and the desire by PBA members to take advantage of minimum participation requirements, which have generally been flouted to date, in the existing and new bauxite developments such as Aurukun and Amrun/South of Embley, as well as the redevelopment of the Shergar base near Weipa.

PBA is established not only as a platform for advocacy on behalf of its members; it is also an independent clearing house for the skills and equipment of its members all across the Cape, and can provide a useful intermediation service for developers as well as its members.

### Submissions

- Whilst it is our view that there is general development consent from the traditional owners, who are not necessarily reflective of the town of Aurukun, that consent has been confused by the presence of interested external parties and representative bodies. A lack of broad based genuinely achieved consent is not in the interests of either the internal or external stakeholders, and in particular it is not in the interests of Glencore in the longer term.

It is our submission that traditional owner and community consents should be reviewed against a reasonable “sunset clause” and with financial support, and independent advice from an independent advisor. This independent advice could be provided through the PBA but it would need to be underwritten by Government.

- In the context of a long term project (30 plus years) such as this, Glencore should be "encouraged" to make a compact – in the form of an MoU or Heads of Agreement - with the traditional owners/community at the point of consent which includes:
  - The Principles
    1. Respect and Recognition
    2. Rights and Responsibilities
    3. Community Engagement, Negotiation and Consent
    4. Resource Management and Heritage Protection
  - Specific "stretch commitments" beyond legislation on employment and contracting of Traditional owners/local/CY residents
  - As necessary education, training and mentoring requirements to achieve the commercial commitment
  - A definition of CY residents which recognises that CY does not include fly in-fly out from Cairns, Mareeba and further south
  - A commitment to local (traditional owner and or community) ownership (on the up and downside) at an appropriate level in the project e.g. 5-10% free carried repaid out of first cash and best endeavors commitment to assist in raising % of debt funding.

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*PBA takes the view that community equity must be part of a long-term sustainable relationship relating to this project. Not only does it represent a commitment to education about wealth creation which is vital for the survival of communities in remote country, but it aligns the risks and rewards.*

- The PBA submits that at a minimum the following priorities are necessary components of the compact which is created between the proponent and the affected Indigenous people:
  - Workforce Planning
  - Education
  - Economic Development
  - Social Development
  - Cultural Promotion and Protection
  - Communication
  - Health Priorities
- The PBA endorses the COAG Policy on Closing the Gap which requires all tiers of the Australian Community to proactively take on board a process to address Indigenous disadvantage as a national responsibility. The PBA submit that this responsibility can be fulfilled in relation to this project by Glencore developing partnerships with the affected Indigenous people based on mutual respect, mutual resolve and mutual responsibility.
- The PBA stands ready to facilitate this consultation and negotiation process as required.

Yours Sincerely

Wayne Butcher  
Mayor Lockhart River/Chairman CIMA

Wayne Butcher  
**Chairman**

### **Responses to PBA at:**

Wayne Butcher  
Chairman – PBA  
Lockhart River Indigenous Council  
Lockhart River QLD