

13 May 2016

Mr Ross McGowan
Executive Director
Earth Resources Regulation
Department of Economic Development, Jobs, Transport and Resources
Victoria

Dear Mr McGowan

CMPA Submission to “Draft Stakeholder Engagement Strategy 2016-2018”

The Construction Materials Processors Association (CMPA) is dedicated to the representation, advocacy and service of its Members in the Victorian Earth Resources industry. The CMPA represents a broad spectrum of businesses that extract and process hard rock, gravel, sand, clay, lime, soil, and gypsum. CMPA members also operate recycling businesses. CMPA members are typically small to medium sized family businesses, local government and utilities. Many are regionally based employers (90%) and support the Victorian economy through providing for local construction, major infrastructure and road maintenance needs.

The Extractive industry underpins growth and development in Victoria through supply of the construction materials described above. 47 million tonnes in 2012/13 was produced (~10 tonnes/person/annum in Victoria) to a value of approximately \$737 million. CMPA members account for approximately half of this production, and more than half of this industry sector’s employment. Also of import is the need to have supply of construction materials located in close proximity to their utilization to save on transport costs and reduce the carbon footprint.

The CMPA supports responsible, balanced legislation and community engagement that is in the best interests of the State and acknowledges Victoria’s Aboriginal communities and cultural heritage.

Thank you for the opportunity to comment on the “Draft Stakeholder Engagement Strategy 2016-2018” (Strategy).

The following points are made by CMPA:

Executive Director’s Statement

p.3 1st para: “...stakeholders need to have good access to information...” Commercial-in-confidence information should not be made available.

p.3 7th para: “We are embedding stakeholder engagement into our risk-based work plans and compliance activities...” Work plans (including risk based) already require a community engagement strategy.

p.3 9th para: “...committed to engaging as broad an audience as possible...” How broad: those that meet the criteria for sensitive receptors, the nearest town, state, national, international? The level of engagement should be proportional to the level of risk associated with the activity. Additionally, the cost

to industry of broad engagement should be considered. In the case of the extractive industries, which are a much lower risk/different risk profile than say coal mines, the audience should not be required to be “broad”.

Specific comments

p.5 3rd para: “...balance the needs of the environment, community and Victorian economy.” Whilst the use of the term “balance” is supported, who is going to make decisions on behalf of the Victorian economy and ensure that there is “balance” with the environment and the community? ERR does not have the capacity for this type of decision making.

p.6 1st Commitment: “We will facilitate the involvement of stakeholders affected by, or interested in, earth resources projects or issues.” Whilst inclusiveness of all may have merit in some cases, the use of the term “or interested in” broadens the community engagement to the point of impracticality. There should be a risk based approach with the level of community engagement localised for those potentially affected by extractive industries in comparison to say coal seam gas.

p.6 2nd Commitment: “We will ensure that stakeholders understand our role as a regulator...” The CMPA supports the community having an understanding that the regulator is responsible for enforcement of conditions in, for example, a work plan.

p.6 4th Commitment: “We will ensure that all ‘voices’ are heard, recognising that different issues need different engagement approaches.” It is a worthwhile exercise that all ‘voices’ are heard, however, they are unlikely to be in agreement. Which one will the regulator give more attention to? Will this be the ‘loudest voice’?

p.7 last para: “We aim to work with industry so that they have a greater role and increased responsibility in engaging with stakeholders relating to their operations.” Does a “greater role and increased responsibility” equate to a further increase in the regulation for the industry? If so, the CMPA does not support further regulation. The wording should be changed to reflect that ERR will ensure that current regulation concerning community engagement is enforced.

p.8 information disclosure: “Provide timely, accurate and meaningful information specific to stakeholder needs.” Commercial-in-confidence information should not be disclosed.

p.10 Working with others 7th Action: What are the terms of reference for the “Victorian Earth Resources Regulators Forum”?

p.10 Working with others 8th Action: “Incorporate the methodologies identified in this strategy into risk-based work plans and compliance activities.” The level of incorporation of these methodologies should be risk based: the level required for a small gravel pit would be much less than required for say a Bendigo gold mine.

p.12 Realising risk-based regulation 5th Action: “Provide guidelines and tools for stakeholder engagement processes and activities” The CMPA should be able to provide comment on future guidelines and tools.

p.13 Building resources and capability 1st objective: “Enable proactive, inclusive and equitable engagement opportunities for all stakeholders.” In opening up engagement activities to all and sundry, sight should not be lost that the extractive industry is a vital component of the Victorian economy and necessary to maintain and improve the community’s (which includes stakeholders) standard of living. This is a message that needs to be communicated by the regulator to stakeholders outside of the industry.

In general, provided the above comments are taken into account, CMPA supports the Strategy. Mostly from the perspective of community being informed of the role of the regulator in enforcing compliance which, currently, is not well understood.

Please do not hesitate to contact me if you require any further information.

Yours sincerely

A handwritten signature in black ink that reads "EM Gibson". The letters are cursive and somewhat stylized.

Dr Elizabeth Gibson
General Manager