

27 May 2009

Extractive Industries Regulation Discussion Paper  
Earth Resources Policy Unit  
Energy Sector Development Division - DPI  
GPO Box 4440  
**MELBOURNE VIC 3001**

Dear Klara

## **RE: EXTRACTIVE INDUSTRIES REGULATION DISCUSSION PAPER**

The CMPA is pleased to be provided with the opportunity to provide a submission to the Extractive Industries Regulation discussion paper. Our comments have been limited to particular matters of relevance to our Members.

### **Separation of Extractive & Mining Regulations**

The provision of separate regulations for the extractive industries is appreciated. There are clear differences between the two sectors, and it is pleasing that this is recognised. Furthermore, the interpretation of the regulation by the Work Authority holder is greatly simplified in this approach.

### **Work Plan Information Requirements**

Minimum expectations of the DPI when assessing a Work Plan need to be clearly identified and provisions in place to ensure they are not revisited in the planning permit process. This presently occurs and results in unnecessary duplication. Likewise, those issues which are specifically the responsibility of the planning authority should not be included as a requirement of the DPI.

The specific areas that should be added or removed from the Work Plan requirements needs to be discussed more fully with our members pending the approach taken by the DPI, and as such we are not able to make a comment at this point.

### **Code of Practice**

We are concerned that only those small sites with no native vegetation obligations can operate under the Code of Practice as our investigations suggest the vast majority of small sites will not be captured.

That said we would appreciate the opportunity to contribute to the development of the Code of Practice.

### **Community Engagement Plans**

Our members remain deeply concerned at the potential cost of developing and maintaining community engagement plans. CMPA Members maintain that the community consultation obligations beyond that currently enshrined in the planning process will result in significant additional financial imposts. This will severely jeopardise our Members' sustainable viability, as they will impact most adversely on SMEs who are unable to amortize such costs over their limited tonnage outputs.

Estimations conducted by the CMPA utilising the existing 'Community engagement guidelines for mining & mineral exploration in Victoria' present an imposition of \$40,000 to \$130,000 prior to a site being granted a Work Authority, and between \$8,000 and \$28,000 to maintain ongoing consultations.

This will further create an unpredictable and prohibitive financial impost when seeking a new Work Authority or varying an existing one, driving the number Work Authority applications down.

We see that the paper states the preparation of a community engagement plans for 'any variations of work plans for existing work authorities'. This is deeply concerning and against previous advice given to industry which indicated this requirement would only be instigated upon a variation to the work authority. This needs to be clarified as a matter of urgency.

It is generally felt that there is a necessity for separate requirements for community engagement plans in the extractive industry. Firstly, extractive resources are subject to community consultation processes under the Planning & Environment Act and the interaction of these two legislative requirements needs to be clarified. Secondly, extractive resources compete on a local basis, and as such there is considerable potential for competitors to have a desire to 'salt' the local community.

### **Forms & Returns**

Our members continually report difficulty in providing a statutory declaration for annual production/sales returns. This is a financial and time impost upon Work Authority holders that needs to be alleviated.

There is no advantage however to combining royalty and annual production/sales returns as not all sites has an obligation to pay a royalty to the Crown. This would cause confusion and should not occur.

It would be of great assistance to industry if the obligation to report injuries to the DPI (in addition to the separate legislative requirement to report to WorkSafe) was removed in the current re-write. Leaving the requirement in the regulations creates unnecessary confusion.

### **New Notification Requirements**

We are deeply concerned at the sudden inclusion of the extractive industries under the investigations of the Yallourn Inquiry, and particularly the proposal that there be gazetted quarries which are subject to additional risk assessments.

Members do not support any quarries being identified in such a manner without further consultation occurring.

If you would like to discuss any of these matters further, please do not hesitate in contacting me. In relation to the proposed meeting, once we have an understanding of the topics to be covered, we would be able to consider our attendance.

Yours sincerely



Sarah Andrew

CMPA Project Manager