

7th October 2009

Ms Jo Iskandar
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Earth Resources Regulation
Department of Primary Industries
Via email to: jo.iskandar@dpi.vic.gov.au

COMMUNITY ENGAGEMENT PLAN TEMPLATE

Dear Jo

Thank you for the opportunity for the Construction Material Processors Association (CMPA) to provide comment on the proposed Community Engagement Plan template.

As you may well be aware, the CMPA has previously provided comment to the Department of Primary Industries (DPI) on the legislative requirement for Community Engagement Plans. The CMP would again like to place on record its disappointment at the complete disregard of industry concerns expressed during the consultation with the industry prior to the introduction of the mandatory requirement for inclusion of Community Engagement Plans in applications for Work Authorities and variations of Work Authorities from 1 January 2010. This disregard only reinforces industry skepticism as to the merits of the process of consultation. Not one CMPA member supports the introduction of mandatory Community Engagement Plans and sees this additional legislative obligation as a significant additional cost to conducting their business. If it was such good commercial sense to conduct such formalised community engagement, quarry businesses would already be embracing the practice.

There is little evidence in the quarrying sector that formal community consultation through Environment Review Committees or Stakeholder Reference Groups will reduce costs to the operator. There are several examples within the extractive industry of this formalised community interaction costing significant amounts of money and additional expenditure on a variety of issues without providing the certainty of ongoing operation. It is the extractive industry's experience that vexatious objectors will go to extreme lengths, including secondary boycotts, to inflict additional costs on the operator in an effort to close the quarry site.

The CMPA has previously indicated to DPI on several occasions their deep concern at the potential cost of developing and maintaining Community Engagement Plans. Formalised community consultation obligations beyond that currently enshrined in the planning process under the *Planning & Environment Act 1987* will result in significant additional financial imposts to operators. This will severely jeopardise many operators sustainable viability, as it will impact most adversely on operators 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 (small site) to \$130,000 (large site) prior to a site being granted a Work Authority, and between \$8,000 (small site) and \$28,000 (large site) per annum to maintain ongoing consultations. For a moderate sized operation producing 175,000 tonnes per year, this equates to an **EXTRA** \$52,000 in gaining approvals and an **EXTRA** \$17,000 per annum for ongoing

consultations in addition to current community consultation requirements under the planning permit approval process.

This is not implementing the government policy of reducing red tape but rather duplicating existing requirements in the planning process under the *Planning & Environment Act 1987* with the operator paying the additional cost.

Such additional regulatory burden and cost should be balanced with an equivalent reduction in cost and regulatory burden. This could be achieved through a reduction in the time to approve a Work Plan and/or Work Authority application.

Several experienced industry consultants also share the CMPA's concern regarding community consultation and believe Community Engagement Plans are not necessary for either the Work Authority holder or the community.

In summary, the CMPA supports the view that engagement with the local community is a positive process that should occur as part of good business practice rather than enforced via regulation.

With respect to the DPI draft Community Engagement Plan Template, the CMPA makes the following comments.

1. The template appears to be overly prescriptive and forces the operator into accepting the DPI model of community engagement.
2. Question 2 asks to outline the operators existing, informal Community Engagement Plan. Doesn't this ask for the same information as the following questions?
3. Question 5 assumes the operator has already implemented a Community Engagement Plan to understand the perspective of each of the community groups. Shouldn't the plan seek to clearly understand the various perspectives of each group and then develop the plan accordingly rather than make initial broad assumptions?
4. Question 7 & 8 assumes the operator can pre judge the level of engagement. Community engagement is an evolving process where the level of interaction is dependent on the issues as they arise. The engagement levels of 'involve', 'collaborate' and 'empower' could give significant power to the community on some issues which is not acceptable in most situations.
5. The Community Engagement Plan should be reviewed on a needs only basis.
6. DPI should also ensure this tool is workable to operators with only dial up internet access as well as those without any internet access. Community Engagement Plans that are not developed on this template should be accepted by DPI to encourage the development of innovative, individualised plans by operators.

The CMPA respectfully requests DPI to provide the community consultation costs outlined in the Business Impact Statement developed for the new merged *Mineral Resources (Sustainable Development) Act 1990*. The CMPA previously provided cost estimates to the government on this issue and formalised feedback would be appreciated.

Yours sincerely



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