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Committee Secretary
Senate Legal and Constitutional Committee
PO Box 6100
Parliament House
Canberra ACT 2600

By Email: legcon.sen@aph.gov.au

To whom it may concern

Cape Alumina has been developing its Pisolite Hills bauxite mine and port project on western Cape York since early 2004 and has a vested interest in the Queensland Government's *Wild Rivers Act 2005* and in particular the proposed declaration of the Wenlock River Basin as a wild river area.

In fact, Cape Alumina has already made two submissions to the Queensland Government in response to the proposed declaration of the Wenlock River Basin as a wild river area. These submissions are attached for the Committee's reference.

In brief, Cape Alumina believes that the Queensland Government's proposed declaration of the Wenlock River Basin as a wild river area must be amended, and relevant legislation clarified, to ensure that a balance between responsible mining, economic development and protection of the natural values of the Wenlock River Basin in western Cape York is achieved.

Specifically, Cape Alumina believes that the so-called High Preservation Areas (HPAs) in the proposed Wenlock Basin wild river area must be set to reflect the results of detailed analysis of the environmental features in the vicinity of Pisolite Hills, and with reference to published literature on the protection of wetlands and water courses from mining and development activities.

Cape Alumina believes that the widths of the proposed buffer zones for the HPA surrounding the special feature referred to as the Coolibah Springs Complex have been set without reference to specific criteria relevant to these features and can be safely reduced from over 500 metres to a maximum of 200 metres – determined on a case by case basis.

A maximum 200 metre buffer zone meets, and in most cases exceeds, all the necessary environmental safeguards. This is supported by numerous detailed environmental studies which have been based upon site-specific hydrology, ecology, flora, fauna, and soil geochemistry data from the area.

Setting the buffer zone of the HPA for the Coolibah Springs Complex to a maximum of 200 metres will not impact on the hydrological connectivity between the evergreen springs, their source aquifer and the Wenlock River – despite claims from project opponents that nearby mining would adversely affect the ground water hydrology feeding the springs.

These claims are founded on nothing more than voodoo science as part of a sustained campaign to have the project killed off.

Cape Alumina's position is substantiated by the Queensland Government's independent expert who stated that "the data to hand … is largely supportive of the hydro-geological scheme proposed by [Cape Alumina]."

The Queensland Government's independent expert has also stated that it "appears on the basis of the data to hand that bauxite mining as proposed [by Cape Alumina] will have relatively little impact on the groundwater hydrology of the springs. There appears to be no clear justification of the magnitude of the HPA setbacks."

However, if the Queensland Government proceeds with the declaration of the Wenlock River Basin as a wild river area without the amendments suggested by Cape Alumina (and overwhelmingly supported by scientific evidence - including the views of the Queensland Government's own independent expert) the Pisolite Hills project may be rendered uneconomic.

This will mean that the opportunity to create hundreds of construction jobs and many more permanent, full-time jobs in the Cape York region will be lost, so too will the resultant Queensland and Commonwealth Government revenue and a whole host of other economic and social benefits. This loss will be felt most severely in the Aboriginal community of Mapoon.

In other words: no project and no jobs, particularly for Aboriginal communities living in a remote region which has been starved of economic opportunities for decades.

Cape Alumina agrees that the Wenlock River catchment contains some areas of natural environmental values that are worthy of protection. Equally, protecting the natural environment is an integral part of our approach to business.

However, the need to protect the environment and the creation of so-called HPAs must be supported by sound scientific assessment, and science should not become subservient to a politically-motivated environmental agenda.

It must be understood that Cape Alumina has no plans to mine any wetlands, rivers, springs or areas of high conservation value and the Wenlock River will be fully protected under our operational and environmental management plans.

Our mining activities will, in fact, take place between 2.8 and 15 kilometres away from the Wenlock River and well away from any major tributaries.

Cape Alumina is about to release the Environmental Impact Statement (EIS) for the Pisolite Hills project. We believe the findings will allay fears about the potential impact on the environment – fears often founded on misinformation.

Cape Alumina believes due process should be followed and if that is the case the EIS will demonstrate that it is possible to achieve a balance between responsible and sustainable economic development and environmental protection of the Cape York region.

Queensland Premier Anna Bligh vowed in the lead-up to last year's State election to create 100,000 new jobs over the following three years if her Labor Government was re-elected. At last count there were still some 88,200 jobs to go – jobs which we can help provide.

Development of Cape Alumina's proposed $400 million Pisolite Hills bauxite mine and port project can help the Queensland Government meet its jobs target only if the right balance is struck between responsible mining, economic development and protection of the Wenlock River Basin's natural values.

The Pisolite Hills project will create at least 500 jobs during construction and another 250 permanent, full-time jobs during the 15-year life of the mine.

The project will also provide a significant economic boost to far north Queensland and Cairns where the unemployment rate has climbed to 12.3 per cent – more than double the national average.

But the job story doesn't end there. A 2007 report commissioned by the Queensland Government states that our project would have even greater flow on effects for the State economy.

For example, the report concluded that for a project such as Cape Alumina's during construction up to 1,700 indirect regional jobs and 1,000 indirect jobs throughout Queensland could be created. As for the operational phase, up to 1,000 indirect regional jobs could be created and a further 600 indirect jobs throughout Queensland.

The Pisolite Hills project promises to generate billions of dollars in export revenue from bauxite sales and hundreds of millions of dollars in State and Commonwealth Government royalties and taxes.

These economic benefits need to be put in context with the State Government's commitment to protect the environment, which ostensibly underpins the *Wild Rivers Act 2005.*

Cape Alumina understands that there has been no attempt by the Queensland Government to properly analyse the public policy benefits of declaring an area a wild river.

For example, while the Government's Wenlock Basin Overview Report described the natural values of wild rivers and the negative impacts of development, it does not attempt to quantify these values.

This report, and the subsequent report summarising the results of consultation, describes a large range of potential positive and negative impacts of declaration, which, it has been said, the Minister will consider in his decision on whether or not to declare the Wenlock River Basin a wild river area.

The Minister's task in comparing positive and negative impacts without quantification must be highly subjective. It will also be impossible to make the decision-making process transparent to stakeholders unless the Minister is able to order his weightings of the positive and negative impacts in his decision.

Moreover, the process of declaration and collecting stakeholders' views without some attempt to quantify benefits and costs is at odds with the standard process increasingly used in regulation assessments.

Queensland's Natural Resources, Mines and Energy Minister Stephen Robertson told Queensland Parliament late last year: "Nobody has been able to provide details of one project that has been stopped as a result of Wild River declarations."

As the Managing Director of an ASX-listed, emerging bauxite mining company, I sincerely hope this remains the case following the Government's decision.

Equally, Cape Alumina hopes that any Commonwealth activity in this area (including any proposed legislation) does not add to the already onerous task of developing a major mine operation in Queensland such as the Pisolite Hills project.

The as yet unresolved Wenlock River Basin wild rivers proposal has already seriously impacted upon the operations of Cape Alumina and has resulted in substantial lost opportunity costs.

Any further delays and uncertainty will only create problems for Cape Alumina and risks the development of a project that has the chance to socially and economically uplift the Aboriginal people of Mapoon and the western Cape York region, and which will ultimately benefit all Australians.

Yours sincerely

Dr Paul Messenger
Managing Director
Cape Alumina Limited

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