RioTinto

Submission to Productivity Commission's Resources Sector Regulation study

1.0 Introduction

Rio Tinto welcomes the opportunity to provide comments regarding the Productivity Commission's Resources Sector Regulation study.

Rio Tinto has been operating in Australia for more than 100 years. We produce iron ore, bauxite, alumina, aluminium, uranium, diamonds and salt at sites and processing plants around the country. Our operations employ over 19,000 Australians directly and we paid A$6.5 billion in taxes and royalties in Australia last year. We are also proud to employ over 1,400 Indigenous Australians (around 7% of our workforce).

Rio Tinto is investing in Australia with new and expanded mining operations. For example, we recently completed commissioning of the A$2.6 billion Amrun bauxite mine on the Cape York Peninsula in Queensland. We are also investing A$3.5 billion in the Koodaideri iron ore mine in Western Australia. Rio Tinto recognises the importance of globally competitive policy settings, particularly in tax, energy, regulatory approvals, innovation, and transport to attract and maintain investment in Australia.

Rio Tinto's operations, and the resources sector generally, make a significant contribution to Australia's economy. Resources commodities, including iron ore and aluminium produced by Rio Tinto in Australia, make up six of the country's top ten goods. Resource and energy export earnings are estimated to have reached a record A$275 billion in the 2018–19 financial year and are expected to hit A$285 billion in 2019–20[1].

Since 2005, the resources sector has invested around A$720 billion in Australia, accounting for more than 40 per cent of total investment over this period.[2] And, together with mining services, the resources sector makes up over 8 per cent of Australia's economy.[3]

Rio Tinto's Australian operations are a significant part of our global portfolio and are important contributors to the Australian economy, particularly as large employers in regional Australia. Investment in mining projects creates jobs and delivers royalties and economic benefits for the whole country. However, the competition for capital investment from other resource-rich economies is intense, with any policy or regulatory instability likely to influence the global flow of capital and put at risk Australia's ability to attract and retain investment in capital-intensive industries such as mining.

Supporting businesses, big and small, to grow and prosper is good for all Australians. As noted by the Business Council of Australia

- business employs over 11 million of the 13 million working Australians
- almost six million Australians own shares in Australian companies
- around A$360 billion in Australians' superannuation investments are in Australian-listed companies, such as Rio Tinto.[4]

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[1] Minister for Resources and Northern Australia (2019). *Australia's resource and energy exports continue to set records.* [online] Available at: https://www.minister.industry.gov.au/ministers/canavan/media-releases/australias-resource-and-energy-exports-continue-set-records [Accessed 28 Oct. 2019].
[2] Australian Bureau of Statistics (2018). *Private New Capital Expenditure and Expected Expenditure, Australia, Sep 2018, Table 3B: Actual Expenditure, By Type of Industry - Chain Volume Measures $m*. Canberra.
[3] Office of the Chief Economist (2018). *Resources and Energy Quarterly—December 2018.* Canberra, p.iv.
[4] Business Council of Australia (2019). *Thriving business are the backbone of Australia's economy and underpin the budget.* [online] Available at: https://d3n8a8pro7vhmx.cloudfront.net/bca/pages/4678/attachments/original/1554878201/Factsheet.pdf?1554878201 [Accessed 28 Oct. 2019].

1.1 Ways mining can benefit all Australians

The benefits of mining to the Australian economy flow far and wide, and it is not only highly paid workers employed directly by mining companies who benefit. For example, a recent study by independent economists ACIL Allen Consulting modelled the flow-on economic impacts of Rio Tinto's operations in Australia, and estimated that in 2017 they contributed over A$42 billion to the Australian economy (or 2.5% of Australia's Gross Domestic Product in 2016-17), created over 90,000 additional full-time jobs, and added A$10.5 billion to the real incomes of Australians.[5]

The National Resources Statement, released in February 2019 and developed through a bipartisan process, also recognises the important contribution the resources sector makes to the whole country. In particular it noted the following:

> "*As the resources sector thrives so does the rest of Australia. By 2013, the last resources boom had raised real household disposable income by an average of 13 per cent, increased real wages by an average of 6 per cent and reduced the unemployment rate by 1.25 percentage points, meaning that 167,300 Australians had work who otherwise would not have."*[6]

However, the Statement also noted continued success of the industry cannot be guaranteed, and in a globally competitive environment, investment in Australia's resources sector must not be taken for granted.

1.2 Deterrents to investment

Policy frameworks and regulatory settings affect the cost of doing business in Australia, and ultimately the resource sector's global competitiveness and ability to grow. A growing resources sector depends on Australia having competitive policy settings across key areas like tax and energy to attract business investment.

Comparatively high tax rates

Australia has maintained a comparably high corporate tax rate of 30 per cent, and has the second highest corporate tax rate among the OECD's 36 member countries. The 2019 OECD average company tax rate is 23.35%.[7] While other countries such as the United States and the United Kingdom have reduced their company tax burdens in recent years, Australia has not changed its headline corporate tax rate (for companies with turnover greater than A$50 million per annum). This is a significant deterrent to investment in Australia.

Investment decisions about capital intensive, long-term resources projects are based on an analysis of their expected return. If a jurisdiction's policy settings are not competitive, then companies will likely allocate their capital to similar investment opportunities in other jurisdictions, where a higher return on investment can be achieved. Australia may miss out on future capital investment if it continues to impose relatively higher costs, especially while other countries are incentivising investment by lowering company tax rates.

High energy costs

The competitive positions of elements of our business, such as our aluminium smelters and alumina refineries, are heavily dependent on energy policy settings. Energy prices in Australia are high by global standards, and the shift in the competitive energy position over time has meant that our Australian assets are now among the highest on the cost curve, exposing them during cyclical downturns.

[5] Rio Tinto (2019). *Rio Tinto's operations generated more than A$42 billion for Australian economy*. [online] Available at: http://www.riotinto.com/media/media-releases-237_26321.aspx [Accessed 28 Oct. 2019].
[6] Department of Industry, Innovation and Science (2019). *National Resources Statement*. Canberra, p.9.
[7] KPMG. (2019). *KPMG's Global Online Tax Rates Tool*. [online] Available at: https://home.kpmg/xx/en/home/services/tax/tax-tools-and-resources/tax-rates-online.html [Accessed 28 Oct. 2019].

We believe that energy policy should deliver more affordable and reliable supplies of energy, while meeting Australia's emissions reduction targets in accordance with the Paris Agreement, and that policies to deliver emissions reductions also need to maintain the competitive position of Australia's world-class mining assets and improve the competitive position of its smelting and refining assets.

Excessive regulation

"Red tape" and costs associated with excessive regulation decrease the competitiveness of the resources industry in Australia and its ability to attract capital. While Rio Tinto supports risk-based regulation, unnecessary or inefficient regulation results in significant added costs throughout the mining lifecycle, from exploration through to closure and rehabilitation, without a net improvement in outcomes. As outlined in this submission, there are cases where regulation is duplicative across multiple layers of government or disproportionate to the risk, or where the opportunity cost of time due to delays in approvals makes projects more expensive. This is not conducive to attracting international direct investment for capital intensive, large-scale, long-term projects with a long lead time to profitability.

Rio Tinto supports a risk-based and outcomes-focused regulatory framework, and sees this as an important way for improving Australia's ability to attract investment in major resources projects. Stability and predictability are also important for ensuring existing projects and assets remain competitive and economically viable long after investment decisions have already been made, especially for cyclical industries that often face commodity price downturns.

Example: Identifying and assessing risk

In the 2018-19 Budget, the Australian Government announced the introduction of a new levy on cargo imported to Australia by sea to raise funds for Australia's biosecurity program. The Department of Agriculture and Water Resources (DAWR) proposed a way to design and implement the levy, and stakeholders called for consultation on the basis the design did not appropriately account for varying degrees of biosecurity risk.

For example, DAWR proposed a vessel-tonnage method for calculating the levy, which does not consider the risk posed by a vessel's cargo. Biosecurity risk is not necessarily related to vessel size, and this method of calculation would mean a heavy but empty vessel entering Australia to collect products for export, which is a relatively low-risk activity, would nevertheless attract a higher cost than a small vessel bringing high-risk material from abroad into Australia. Similarly, a large vessel carrying low-risk material such as caustic for alumina refining would attract a high cost.

Recognising that more work was needed to understand how best to apply the levy, the Government established a Steering Committee to consult with industry and recommend a way forward. According to the report, "the Committee recognised from the start of its deliberations the central importance of having robust, science-based biosecurity risk assessments across pathways and vectors in order to inform and underpin its recommendations for the design of a levy" (p. 28).

However, the report stated the Committee "requested authoritative, science-based advice from the Department to identify the quantum and relative biosecurity risk generated by the various import pathways" but that "while helpful as a general guide, none of the information available from public sources provides a robust basis on which the Committee can base definitive recommendations regarding the share of the levy that should be borne by different import pathways and vectors." It further stated

> *"The Committee's conclusion is important given the intention of the levy to raise approximately $100 million per annum against a risk-related assessment. The Committee was not in a position to independently commission the work required to produce the data required to complete its task. Given this, it is not possible for the Committee to recommend the allocation of a levy across cargoes and vessels, when the scientific basis of doing so does not appear to exist"* (p. 39).

Rio Tinto supports an efficient biosecurity system that protects Australia's agricultural production, trade and environment. Rio Tinto is regarded as an industry leader in safety and prioritises health, safety, and the environment in its day-to-day operations. We have a world-class procedure in place to ensure vessels are strictly vetted prior to the carriage of goods and entry into Australia. We believe a comprehensive risk-based approach for importers can offer an effective solution, though this would first require an appropriate method for identifying and classifying biosecurity risks.

Biosecurity Levy Steering Committee (2019). *Biosecurity Imports Levy: A Way Forward.* Canberra.

2.0 Improving the regulatory environment to attract more investment

2.1 Environmental assessment and approvals

A high-quality and effective environmental assessment and approvals process is critical in ensuring the impacts of mining operations on the environment are minimised and mitigated commensurate with risk and societal expectations. We also believe significant economic and social benefits can be derived from streamlining and enhancing the efficiency of the approvals process to encourage development, while still maintaining strong environmental safeguards.

The benefits of streamlined project approvals are significant. Analysis by the Department of the Environment in 2014 concluded that streamlining federal and state environmental approval processes would save Australian businesses over A$426 million annually.[8] A 2014 BAEconomics report found reducing project delays by one year would add A$160 billion to national output by 2025 and create an additional 69,000 jobs.[9] In addition to significant cost savings to industry, more efficient internal processes can also reduce government costs.

Rio Tinto's operations across Australia require ongoing development of future projects to maintain current production levels and export volumes. More than A$10 billion of investment is required over the next three years to sustain the production of our iron ore business in Western Australia. This means that in the coming years, maintaining production will require approvals for a level of investment that is typically more reflective of a business in an expansion phase.

In this context, a key priority for Rio Tinto in terms of this Productivity Commission review is streamlining environmental approvals. The current landscape of environmental assessments and approvals processes is complex and duplicative, with inherent inefficiency for both industry and government.

While some legislative changes are required, there are many opportunities for streamlining within the current legislation. We also see the upcoming review of national environmental protection laws (the *Environment Protection and Biodiversity Conservation Act 1999*, or "EPBC Act") as an opportunity to engage with key stakeholders with the shared objectives of reducing duplication, providing more certainty on processes, reducing approval delays, and improving environmental outcomes. We look forward to participating in that process.

The points below relate to environmental approvals for projects, and specifically how the state and federal approvals interact. Some recommendations are presented in relation to WA specifically, given the future approvals required for our iron ore business to sustain current production levels.

Overlap between jurisdictions

There is currently significant duplication and overlap between environmental regulation at a state (e.g. *Environmental Protection Act 1986* in WA) and federal (EPBC Act) level that leads to delays in approvals and additional costs in progressing projects. There is scope to reduce the regulatory burden under current legislation by implementing bilateral approval agreements between the Commonwealth and the State to allow the State to complete one assessment and approval process to meet both State and Commonwealth requirements. In the absence of an approvals bilateral agreement, there is also scope to reduce regulatory burden by improving existing processes under current legislation:

- A bilateral assessment agreement between the Commonwealth and WA was previously in place but lapsed in 2016 when the WA EPA Administrative Procedures were revised. Commonwealth EPBC Act assessments in WA that would have been undertaken via the bilateral assessment process are currently being undertaken via an accredited process.
- Where an accredited process is followed it is imperative the timeframes set out in the EPBC Act for a decision to be made by the Commonwealth Minister (or delegate) is met. Currently such timeframes

[8] Department of the Environment (2014). *Regulatory cost savings under the one-stop shop for environmental approvals*. Canberra.
[9] BAEconomics (2014). *The economic gains from streamlining the process of resource project approval*. Canberra.

are not being met. It is also important that the State assessment meets Commonwealth requirements to assist in removing process duplication and resulting in more timely Commonwealth approvals.
- As such it is important there is greater collaboration between the Commonwealth and the State to ensure the State assessment process meets Commonwealth requirements to avoid unnecessary delays to project approval.

Threshold for significance under the EPBC Act

There is a need to reconsider the current approach to identifying "significant'" proposals (i.e. controlled actions) which attract a need for assessment and approval under the EPBC Act. In that regard:

- More robust departmental guidelines and decisions on referrals which are reflective of truly 'significant' impacts at a Commonwealth level would deliver more targeted federal oversight, leaving broader environmental impacts to be appropriately assessed and conditioned at a State level.
- There is a need to ensure the Commonwealth assessment focuses on the requirements under the EPBC Act. Our recent experience is that some assessments deviate from targeted assessment of Matters of National Environmental Significance (MNES) into other environmental factors or impacts that should more appropriately be assessed (and are currently already being assessed) at a State level.
- More robust departmental guidelines would assist in maintaining the focus of the assessment (and therefore reduction in duplication of assessments that properly occur at a State level).

Aligning State and Commonwealth Offset requirements and funding mechanisms

We recognise the importance of biodiversity offsets as a last resort to address impacts as part of the application of the mitigation hierarchy, but defining and implementing appropriate area-based offsets is challenging. In the Pilbara and other regions of Australia, land acquisition as a direct offset is generally not possible as the land is not freehold. Alternative mechanisms for providing offsets in the Pilbara, particularly direct offsets, are limited and often carry a high ongoing management burden for the proponent. In recognition of this, the WA Government is in the process of establishing the Pilbara Environmental Offsets Fund to provide a more effective offset funding mechanism with a lower management burden for proponents. It is important that any EPBC Act requirements for offsets leverage from the fund to reduce duplication in offset requirements. Therefore, more effective overall offsets and a more efficient offset process could be achieved by aligning Commonwealth and State offset requirements. Similar benefits could be achieved in other jurisdictions of Australia if such an approach were adopted.

Agency resourcing

Both State and Federal agencies are resource constrained and this is affecting the time taken to assess referred projects. An increase in resourcing for agencies undertaking assessment and approvals (possibly by directing funds from cost recovery for assessments under the EPBC Act back to relevant agencies) would result in high levels of efficiency; specifically, an increased capacity to manage the volume of projects requiring approvals, along with an enhanced ability to engage with proponents in understanding a project's relevant environmental challenges. This will ensure effective and appropriate risk-based regulation. Establishing Commonwealth EPBC Act assessment roles based in WA (and other states with a high volume of EPBC Act assessments) would improve the efficiency of the assessment process, enabling proponents to more readily engage with the Commonwealth Department, and allowing the proponent and the assessment agency to reach a shared understanding of the project's environmental risk profile and commensurate mitigation.

Suggested improvements

- **Re-instatement of the assessment bilateral agreement between the WA Government and the Commonwealth Government.**

- **Approval bilateral agreement between the WA Government and the Commonwealth Government,** which would enable to the State of Western Australia to grant approval for proposals

on behalf of the Commonwealth Government thus streamlining environmental approvals for project proponents.

- **Improved capacity for the Minister to allow changes to projects after approval.** This would provide proponents with greater flexibility in project implementation.

- **Greater clarity and definition of "significant impact" for the purposes of triggering an assessment.** The Commonwealth now seems to be assessing a greater number of projects so it appears the threshold for what is significant has been lowered.

- **A single national list of threatened species and ecological communities.** This would reduce duplication and inconsistencies between the State and the Commonwealth thus streamlining regulatory processes.

- **Consistent application of offset requirements and approach.**

- **Ensuring assessment and approval timeframes are met (particularly statutory timeframes).**

Example: South of Embley (Amrun) environmental approval

In 2019, Rio Tinto completed commissioning of the $1.9 billion ($A2.6 billion) Amrun bauxite mine on the Cape York Peninsula in Queensland, Australia.

Amrun will provide jobs, support businesses and contribute to growth in the region for the next 50 years, building on $A2.2 billion of contracts with local, state, and national businesses during construction.

However, the overall process for receiving environmental approval took 5 years and 8 months. The experience serves to highlight how complexity, duplication, and inconsistency between state and federal approvals processes contributes to unnecessary costs and delays for proponents. This ultimately delays or puts at risk the economic benefits of mining to Australians, including in regional communities.

A complete timeline of events, between Amrun being declared a significant project in 2008 to final Environmental Approval in 2014, is provided in Appendix 1. That information highlights the following issues from the perspective of the project proponent:

- The environmental assessment and approvals process is complex and lengthy.
- The existing assessment and approvals framework is unable to accommodate project variation in a way that minimises assessment and approval time frames. While it can be argued that the project description should be well known in advance, the reality is often that projects are developed in parallel with the engineering pre-feasibility (PFS) study, prior to detailed feasibility. Consequently there is potential for project changes that were not foreseen during PFS that once known become significant from an assessment and approvals perspective.
- The introduction of the shipping aspect as an activity requiring assessment of a new MNES was not based on risk, as the cumulative activity differed little from what was already an authorised activity.
- The introduction of additional assessment and document structure, which was not initially required by the Queensland and Commonwealth governments, added additional complexity and cost and schedule impacts.
- There was an inconsistent application of the “significance” test with respect to the extent and or relevancy of certain matters.
- Assessment guidelines are not necessarily based on materiality of risk, but on a subjective and adhoc basis.

About Amrun

Amrun is about 40 kilometres south of Rio Tinto’s existing East Weipa and Andoom mines on the Cape York Peninsula in Far North Queensland.

The mine, plant and export facility received board approval in 2015, with a targeted start date of 2019. Rio Tinto made Amrun’s first shipment in December 2018. At full production, Amrun will have capacity of 22.8 million tonnes a year, with options to expand.

At the peak of construction, 1,200 people worked on site. Since project inception, close to 400 Aboriginal and Torres Strait Islander people have been employed by the project.

Rio Tinto has a long history of partnering with Traditional Owners on Cape York. Aboriginal and Torres Strait Islander people make up one in four employees at its existing Western Cape operations. The Amrun mine will continue creating opportunities for Indigenous people from Cape York and the surrounding region.

2.2 Mine closure and social transition

Closure is an inevitable stage of the mining lifecycle and, like all parts of our operations, we are committed to managing closure responsibly. Over the next five to 10 years, Australia's mineral resources industry will increase its focus on managing closure as several significant mines reach the end of their productive life.

Rio Tinto's approach

Rio Tinto is committed to managing its assets and the impacts they have across the complete life cycle, including after asset closure. This is the right thing to do for communities and the environment. The legacy we leave also impacts our future licence to operate.

We see great value in managing our assets for closure across the entire life cycle, from planning and design, through operations, and engaging our partners and stakeholders on their expectations for this final phase. Our closure planning and execution of any of our operations considers the relationship between social, environmental, and economic aspects of the activity, as well as diverse stakeholder expectations. We recognise any closure – whether large or small – can have a significant impact on the communities in which we operate. We invest heavily to ensure we understand community priorities, which allows us to set clear and responsible closure objectives, manage risk, and identify sustainable, beneficial future land uses where appropriate, well in advance of commencing closure activities.

Partnership between industry, government and local communities is essential

The development and operation of a mining project brings local and remote workers, communities, businesses, and government together, and to varying degrees each of these groups become dependent on the mine and its supporting services and infrastructure. With a number of mines planned to close within the decade, many local economies and communities will transition from a mining economy, to a mixed or non-mining economy. This transition will require significant planning and collaboration between all stakeholders – not least industry and government – to ensure sustainable solutions and growth pathways are considered and disruption is minimised.

Current regulatory requirements are significant

The states and territories impose numerous regulatory obligations relevant to closure. Appropriate closure planning and provisioning is required through approval processes and there are significant penalties associated with unauthorised impacts. In addition to these overarching requirements, there are numerous statutory obligations that may apply from construction and operation through to rehabilitation, closure, and post-closure including a range of issues such as contamination, land management, biodiversity, dangerous goods, and controlled wastes.

In light of these significant obligations, there is definitely scope for state approaches to mine rehabilitation and closure to be improved to provide certainty around rehabilitation and relinquishment, while maintaining flexibility to account for the range of different closure scenarios faced by industry.

Policy settings which provide guidance on processes to effect successful rehabilitation, closure and relinquishment will ensure the expectations of communities, regulatory, and company standards can be met, and will help industry manage closures efficiently and responsibly. Well-structured and consistent approaches to closure policy are important, however they should also be fit for purpose and risk-based in their design, taking into account the diversity of mining operations in Australia.

Suggested improvements

- **Provide greater certainty on government expectations and processes for transition to post-mining land uses.**

In order to ensure post-mining land uses can be utilised on rehabilitated sites, industry will typically aim to relinquish mining leases upon completion of closure works required to rehabilitate the site.

The detailed process from closure to delivering successful relinquishment of the mining lease back to the state government is often not clear in many jurisdictions.

Where a mine operator is committed to incurring material sums to ensure a sustainable mine closure, it is essential that government is a genuine partner in ensuring that there is sufficient certainty that this investment is able to best facilitate the transition to a post-mining land use. This can be achieved by providing clear guidance on what is required to achieve the intended outcome, and by providing certainty on the enforceability of the closure outcome and associated success criteria required to measure the success of any given mine closure.

Furthermore, the process to agree success criteria between a mine operator and government has historically been very lengthy. Timely agreement on success criteria allows more precise planning and avoids the need to plan for a broad range of closure scenarios in the absence of certainty on expectations from government.

Where success criteria are not agreed and finalised between the site and government, there is always a risk that successive changes in government will shift expectations for closure outcomes and associated success criteria. This results in significant duplication of work for industry, and material impacts to the costs of closure, which could otherwise have been directed towards optimising social and environmental outcomes for the transition to post-mining land uses.

- **Ensure policy is aligned with sufficient resourcing within government to ensure timely agreement on closure outcomes, associated success criteria and implementation approach.**

  Mine closure is a shared responsibility and requires excellence in closure planning and project delivery across industry and government.

  Proactive and collaborative engagement with regulators and community stakeholders during project planning and approvals processes is paramount to ensuring certainty on a suitable closure outcome and associated cost of implementation. To do this requires both government and industry to consider the dedicated resources they have available for this, to ensure systems are in place to support strong decision-making, and for both parties to have the skills capability to develop and evaluate plans and to understand the residual risks.

  While it is understandable that governments need to understand the nature of these residual risks, insufficient resourcing will undermine the ability of industry to deliver these closure outcomes in an efficient and effective manner.

  While there is a definite need for this resourcing to address technical areas of expertise, the resourcing should also focus on ensuring robust, sustainable approaches to closure which support diverse and inclusive economies, during and after mining. Such approaches may include voluntary local procurement targets, increasing employment opportunities, investing in research and development of alternative mining-replacement options, and driving each community's vision for a post-mining economy.

- **Seek alignment on approach across jurisdictions in Australia.**

  Where each State and Territory will rightly require flexibility to deal with the unique challenges and opportunities in their jurisdictions, there is opportunity for each jurisdiction to better align on mine closure processes.

  Such alignment on general processes and terminology will provide consistency in planning for and implementing closure requirements, including guidance on developing success criteria, while ensuring requirements are fit for purpose given the diversity of materials and operations and the associated risks.

2.3 Exploration

Mineral Title

For historical reasons, there remains diverse regulatory and administration processes for minerals exploration tenure across Australia's various governments. The Australian Government Productivity Commission Inquiry into Mineral and Energy Resource Exploration undertaken in 2013 highlighted a significant number of steps for the granting of new mineral title.

Reduction in timing and uncertainty, and better inter-agency coordination through the licence access process for exploration, will enable a great proportion of the monetary investment to be put to work in the ground. It should be noted that there have been significant reductions to granting timeframes in some jurisdictions, however there are still some opportunities for other improvements.

As a company that explores across Australia, we face a challenge in working across the complexity provided by the different processes and approval stages required in each state and territory. There exists differing "regulatory culture" and level of responsiveness between the responsible agencies in different states and territories. Rio Tinto has had recent direct experience of misalignment between regulatory agencies responsible for minerals exploration tenure management, involving gaps in communication between government agencies dealing with related regulatory requirements (for example, native title, tenure grant, program of works authorisations and environmental obligations). There are also unrealised opportunities for state and territory agencies to learn from each other (including overseas counterparts) and share best-practice approaches and continue to seek direct feedback from minerals professionals and minerals companies.

Three types of exploration licence allocation mechanisms are currently in use across Australia: first come first served, work program, and cash bidding. To maintain the international competiveness of the greenfield exploration sector in Australia, we would strongly dissuade Government transitioning to a cash bidding allocation for mineral titles in favour of first come first served. For example, introduction of an auction style process for exploration title in India, under the *Mines and Minerals (Development and Regulation) Act 2016*, has been a disincentive to greenfield exploration investment, and has seen a detrimental reduction in exploration spend and rate of mineral discovery. In fact, it would be beneficial if where jurisdictions adopted a competitive assessment process, the priority applicant is chosen based on their technical and financial capability, rather than by a cash bid or ballot system.

Access to land for exploration

Community support for Rio Tinto's business is vital to our social licence to operate, which also contributes to the reputation of the broader resources industry. Partnerships with our host communities are essential to support our work, and form a core part of our work during exploration, operations, and when planning for closure.

Rio Tinto supports the role of government and agencies in protecting community interests through ensuring appropriate controls to protect heritage and environmental values. However, there remains considerable diversity and complexity between states and territories regarding access to land regimes and the timeframes to secure access to land covered by granted title or in application. Different jurisdictions also require different environmental, heritage, and land access agreements to be completed at different stages (i.e. Qld requires environmental authority to be obtained pre tenement grant, and WA requires approval post grant but pre disturbance), with limited coordination. The direct financial cost of reasonable land access compensation is not the major issue, rather it is the management time, effort, inconsistency, and uncertainty of the process that is the impediment to productivity.

The total licence process timelines experienced in Australia have improved significantly, and are generally between 0.5 to 1 years, on average. Many of the streamlining initiatives and online lodgements by government have significantly reduced the granting timeframe since the 2013 Inquiry. However, the time delay (and associated cost of licensing) experienced by Rio Tinto in Australia is exacerbated by the complex native title/ALRA[10] processes (which can extend grant period for a further 0.5 to +20 years) and other referrals to other government agencies (e.g. consulting in relation to File Notation Areas or forms of land title). The WA Warden's Court processes under the *WA Mining Act 1978* is also restrictive and requires companies to lodge

[10] *Aboriginal Land Rights (Northern Territory) Act 1976*

objections in the court rather than co-ordinate through an overlapping tenement regime. This is costly and inefficient to all parties.

Suggested improvements:

- **Consolidate the findings of past cultural heritage (where appropriate and subject to Traditional Owner consent) and environmental surveys conducted in a region into a national register.** This would help to avoid the need for duplicated assessment efforts and consulting multiple registers. Such a register will significantly reduce the risks, financial costs, and time delays benefiting the explorer, landholders, and communities.

- **Government authorities, in consultation with the exploration industry and affected stakeholders, could provide improved information to assist landholders and communities to understand the mineral exploration land access process, and the rights and obligations of stakeholders** including the minerals explorer, the landholder, and community members. For example, Queensland's Department of Natural Resources, Mines and Energy is implementing new processes to make it easier for landowners to contact the department and also to help mediate compensation agreement issues without the need to go to land court or alternative dispute resolution. South Australia has also recently undertaken a review of its legislation in an effort to improve the way companies interact with native title groups.

- **Introduce, in every jurisdiction, a permit regime similar to permits available in Queensland and Western Australia, which enable low-impact, non-ground disturbing reconnaissance activity for evaluation of early-stage exploration concepts.**

- **Introduce, in every jurisdiction, a consistent approach to airborne geophysical surveying**.

- **Provide assistance to landholders and explorers to reach a negotiated land access agreement** (particularly on freehold lands) with minimal reliance on the legal system and with appropriate compensation arrangements that recognise both parties' needs.

Pre-competitive data and access to relevant information

Rio Tinto is of the view the various geoscience and research organisations across Australia produce very high quality pre-competitive data, and such data is essential for the future of the industry. Public investment should encourage research programs to improve the predictive and detection capabilities for searching under cover, rather than be an alternate source capital for greenfield exploration programs that ordinarily should be funded through a company's own or investor risk capital.

2.4 Cultural Heritage

We actively work towards continuous improvement of our cultural heritage management system by engaging with local Aboriginal groups and seeking open and transparent communication and consultation.

We manage our heritage areas through a combination of surveys including Ethnographic and Archaeological, ground disturbance protocols, and access management. We rely on input from Traditional Owners, historians, environmentalists, and archaeologists to ensure identification, assessment, protection, and management of Aboriginal heritage sites remains a key consideration in all of our activities.

Aboriginal Heritage Act (1972) (WA)

In Western Australia, the legislation that currently protects Aboriginal heritage, being *Aboriginal Heritage Act 1972* (WA), is under review. This review presents an opportunity to modernise Western Australia's legislation in a way that acknowledges, respects and protects Aboriginal heritage while also delivering consistent, transparent, timely and effective outcomes for all stakeholders in relation to the ongoing sustainable development of the State.

Within the current framework, the assessment process sits outside of the legislation and is embedded in policies and procedures which in Rio Tinto's experience has led to issues around administration, transparency, and interaction with stakeholders.

Registration of heritage sites

Aboriginal people have occupied Australia for over 40,000 years. Therefore, Aboriginal sites that have not been previously recorded are being discovered in areas that have not previously been subjected to cultural heritage surveys. At Rio Tinto, we actively work with Traditional Owners in order to ensure that prior to all works, cultural heritage surveys with Traditional Owners are conducted and that where sites are discovered, detailed consultation occurs, which may include scientific investigation and registration under the *Aboriginal Heritage Act 1972* (WA).

An area that creates inefficiencies is where an Aboriginal site is registered post development occurring, notwithstanding heritage due diligence was conducted pre investment. Companies need certainty that where areas have been previously surveyed and an investment decision made, there are safeguards in place to limit the possibility that Aboriginal sites registered post an investment decision affect current and future operations.

Aboriginal Cultural Material Committee (ACMC)

The ACMC is established under the *Aboriginal Heritage Act 1972* (WA) to, amongst other things, deliberate and make recommendations to the Minister on section 16 and section 18 applications made under the legislation. The frequency and duration of ACMC meetings puts undue pressure on all stakeholders to have applications lodged and assessed in order for them to be listed as an agenda item. Additionally, any decision of the ACMC can only be ratified at the following month's meeting. Were the frequency of ACMC meetings increased, there would be greater opportunities to have matters considered and, where required, any resulting decisions ratified. The WA State Government's proposals for new Aboriginal heritage legislation include a new "Aboriginal Heritage Council," which would, in effect, replace the ACMC. Rio Tinto considers that it is imperative that this body be sufficiently resourced to meet regularly and perform its functions as effectively and efficiently as possible.

2.5 Skills

A globally competitive and growing mining sector depends on access to a growing pool of local talent across all disciplines. For example, a critical challenge facing Australia is the decline in mining engineering enrolments, which are at their lowest level since 2000.[11] Australia's workforce is also in the midst of an important shift, as innovation and technology create new business models across all industries. Mining has moved to become a genuine leader in innovative technology and Rio Tinto recognises the critical need to provide effective education programs and opportunities to help Australians succeed in this new era.

To this end, Rio Tinto has recently collaborated with South Metropolitan TAFE, the Western Australian Government, and industry partners to develop and accredit the first nationally recognised qualifications in Automation for the resources sector. In October 2017, Rio Tinto announced funding of up to A$2 million towards this Vocational Education and Training (VET) initiative.

In addition to these initiatives to prepare Australians for the work of the future, we also see value in encouraging global businesses in Australia to exchange talent, providing the opportunity for Australians to develop international experience while also using temporary skilled migrant visas to bring international talent and expertise to Australia where needed.

As noted in the issues paper, skilled migration programs can help address shortages throughout a resources project's life cycle, with different requirements during different project phases (from early exploration to closure and rehabilitation). The ability to address critical skills shortages is important in continuing to attract investment in Australia's mining industry.

[11] Minerals Council of Australia (2018). *Minerals Tertiary Education Council Key Performance Measures Report 2018.* Canberra.

The current immigration framework enables Rio Tinto to source skills critical to our business. However, we believe improvements to the structure of the Temporary Skill Shortage visa (subclass 482) including "red tape" reduction could position Australian businesses to compete more effectively for global talent and reduce timeframes for onboarding talent.

Suggested improvements

- **Expand access to long-term visas with route to permanent residency.** The ability to secure long-term visas and permanent residency is important for attracting and retaining candidates to Australia, particularly if they are in very high demand.

- **Move away from the occupational listing model for skilled visas**. This occupational approach takes a view of "occupations" which is no longer suited to the modern workforce and cannot keep pace with emerging skills and industry innovation. The occupational approach is overly bureaucratic, creates barriers to the free movement of skills within employers, and in some cases can affect an individual's ability to secure permanent residency.

- **Remove the labour market test.** The Australian Government's Skilled Migration Program describes the "skilled occupation list" as a summary of "the occupations Australia needs to fill skill shortages," and the list is reviewed and updated regularly to "respond to changes in the Australian labour market."[12] If this is the case, then labour market testing by the employer is unnecessary duplication.

2.6 Procurement

Rio Tinto is committed to continually improving the way we do business with our suppliers. We aim to maximise opportunities for local participation, to boost local economies and create jobs, as well as provide Rio Tinto with cost-competitive, reliable, and high-quality services. Through a range of initiatives we encourage local businesses to become part of our supply chain, and we help to ensure they are better prepared to compete for contracts.

Example: Sustaining local communities

In 2017, Rio Tinto launched its Local Procurement Programme in the Pilbara, which aims to support local businesses through

- a local procurement portal
- a dedicated local procurement team
- increased collaboration with suppliers
- local procurement workshops, and
- partnering with business development specialists to build supplier capacity.

In early 2019, the program reached a significant milestone when it awarded its 100th work package to a Pilbara-based business. Rio Tinto has also partnered with the Regional Chamber of Commerce and Industry to deliver a Business Capability Enhancement Programme to build capacity and capability in local businesses.

Australian industry participation

Rio Tinto is committed to maximising local industry participation. However, we believe the current regulatory framework adds unnecessary requirements to new projects, increasing costs without delivering any substantive benefits to local suppliers. For example, the *Australian Jobs Act 2013* includes requirements for project proponents to develop an Australian Industry Participation (AIP) Plan. However, the benefits of these

[12] Department of Home Affairs (2019). *Skilled migration program*. [online] Available at: https://immi.homeaffairs.gov.au/what-we-do/skilled-migration-program [Accessed 28 Oct. 2019].

requirements are unclear. For instance, a review of the *Australian Jobs Act 2013*, published in November 2018, found that in terms of process, "the details and templates are repetitive, duplicate effort and are time consuming to complete."[13] It was also determined that most suppliers consulted as part of the review said "there had been little or no impact" from project AIP plans in terms of delivering outcomes for Australian suppliers.[14]

Payment terms

Rio Tinto is committed to paying all its suppliers on time and working collaboratively to improve invoicing and payment practices, and was a founding member and signatory to the Business Council of Australia's Australian supplier payment code, launched in May 2017.

Approximately 91 per cent of our Australia-based small to medium suppliers are paid within 30 days of Rio Tinto receiving a correct invoice.[15] To put that into context, globally Rio Tinto processes approximately 100,000 invoices per month. About half of those invoices are in Australia, and approximately 60 per cent of our Australian suppliers are on payment terms of 30 days or less. This includes small to medium enterprises, local and indigenous suppliers.

There is currently inconsistent payment terms legislation across states, which can have a negative impact on systems, and also requires resources to ensure and maintain compliance. A standardised approach nationally, consistent with the Australian supplier payment code for small to medium businesses, would help to simplify the payment process.

2.7 Tax and Royalties

While only one of many factors which influence a decision to invest, tax is a significant driver of return on investment. An internationally competitive tax regime is necessary to attract foreign investment to fund capital intensive resource projects. The overall tax regime for a country is important, and should not just be focussed on corporate tax rates. The incidence of other indirect taxes, such as royalties and stamp duty, can significantly impact whether an investment is made. For the avoidance of doubt any reference to "tax" in this submission covers the overall direct and indirect tax and royalty regime of a country.

There is not a single tax regime which can be identified as the appropriate model for attracting investment. Tax regimes are generally measured with regard to their international competitiveness. In recent years, Australia's tax competitiveness has declined compared to both OECD member countries and our regional competitors. Factors which impact on tax competitiveness include:

- **A competitive company tax rate.** Australia has the second highest corporate tax rate amongst OECD countries.[16] The 2019 OECD average company tax rate is 23.35%.[17]

- **A competitive capital allowances regime**. Resource projects require large up front capital investments with long payback periods. Depreciation deductions received beyond 20 years add little or no value in terms of NPV to support investment decisions.

- **Funding rules.** Integrity rules such as the Thin Capitalisation provisions which seek to deny tax deductions for interest on funds borrowed to invest in productive assets need to be targeted and appropriate for a small capital importing nation like Australia.

- **Stamp duty.** State based duties often make acquisitions or restructures uneconomic and hinder investment and growth.

[13] Quantum Consulting Australia (2018). Review of the Implementation of the Australian Jobs Act 2013, report prepared for the Department of Industry, Innovation and Science. Canberra, p. 3.
[14] Ibid., p. 4.
[15] In this case, "small to medium businesses" are companies that conduct less than A$1 million of business with Rio Tinto annually.
[16] Organisation for Economic Co-operation and Development (2019). *Table II.1. Statutory corporate income tax rate*. [online] Available at: https://stats.oecd.org/Index.aspx?QueryId=78166 [Accessed 28 Oct. 2019].
[17] KPMG. (2019). *KPMG's Global Online Tax Rates Tool.* [online] Available at: https://home.kpmg/xx/en/home/services/tax/tax-tools-and-resources/tax-rates-online.html [Accessed 28 Oct. 2019].

- **Stability**. A key consideration is stability, given long dated investment decisions. Changes to tax regimes should follow the principles of transparency and early engagement with all key stakeholders. Adverse changes to tax regimes should apply prospectively only.

- **Complexity**. The cost of compliance can act as a disincentive to investment and divert resources from productive activities. There needs to be a balance between revenue collection, taxpayer certainty and cost of compliance.

Consultation

Governments should consult widely on all material tax changes. Sufficient consultation for key tax and accounting changes is required to achieve potential alignment of accounting and tax where appropriate.[18]

2.8 Shareholder Communications

According to the *Corporations Act 2001*, all companies must give notice of upcoming meetings (including annual general meetings and other general meetings) to shareholders by sending notice by post, unless the shareholder has elected to receive notices by email.

Large companies can have hundreds of thousands of shareholders on their register, and providing notifications by post can result in significant costs, especially as costs for traditional mail have been increasing (in part due to lower demand), while use and acceptance of digital communications has greatly increased. Many shareholders already access annual reports electronically, presenting cost savings to companies, thanks to the successful implementation of reforms in 2007 allowing annual reports to be made available online rather than being mailed out.

We consider a new technology-neutral provision should be introduced to the *Corporations Act* allowing a company to make available meeting notices and materials to its members by making them available in the public domain and accessible using a universal or near-universal channel of communication. A shareholder could opt out to receive them in hard copy if they wish. In implementing such a change, we are of the strong view that email and websites should be considered a “near-universal channel of communication.”

By encouraging more shareholders to engage with listed companies through on-line channels, these initiatives would both enhance the quality and level of shareholder engagement, and reduce the environmental impact and cost of companies’ shareholder engagements.

[18] The Board of Taxation (2018). *Exploring the potential to align accounting and tax systems in Australia.* Canberra.

3.0 Community engagement and benefits sharing

Rio Tinto has a close connection with regional communities throughout Australia and we aim to create jobs and strengthen communities wherever we operate. One way we do this is through our local procurement practices to deliver benefits for communities, suppliers and our business. Our approach to procurement helps sustain many Australian businesses and, in turn, benefits local communities across the country (refer to section 2.6 above for more information about our Local Procurement Programme).

Rio Tinto's Iron Ore business has Indigenous Land Use Agreements with 10 Traditional Owner groups, some of which have been in operation for more than 20 years. These agreements aim to deliver mutually beneficial outcomes for the parties for the life of the asset, in particular ensuring Traditional Owners' connection to country is respected and enhanced. In addition, the Pilbara Iron Ore business established a Regional Framework Deed, in which eight of the groups participate. This deed focusses on delivering a range of social, land and economic outcomes. As a result of the deed, a Regional Implementation Committee was formed in 2016 with the eight Traditional Owner groups to advance the social and economic interests of aboriginal people in the Pilbara. More information about the Regional Implementation Committee is available online at www.ricpilbara.com.

Rio Tinto's Argyle Diamonds Mine entered into an Indigenous Land Use Agreement (ILUA) and Management Plan Agreement (MPA) with East Kimberley Traditional Owners in 2004. Similar to the Rio Tinto Iron Ore agreements in the Pilbara, the ILUA and MPA seek to progress joint goals and commitments for the benefit of local Indigenous people. Notably, Argyle has been a significant contributor to employment and training with approximately 30-40% of East Kimberley Indigenous trainees engaged by Argyle between the early 2000s until now. The Argyle closure planned for the end of 2020 provides an opportunity for local Indigenous businesses to benefit from closure-related activities associated with mine rehabilitation and decommissioning. This work will be undertaken for several years after mining ceases.

Rio Tinto Aluminium's operations in Northern Australia maintain a number of agreements with Traditional Owners which support economic and social benefits from our investments. These agreements capture the aspirations of the business and Traditional Owners to work together to create long-term mutual value, and outline formal consultation processes between the company and the Traditional Owners of the land on which we operate. They lay the foundation for intergenerational benefits and sustainable economic, cultural, social, and environmental outcomes for the signatory Traditional Owner Groups and communities – including education, employment, training, and cultural heritage management.

In 2011, the historic Gove Traditional Owners Agreement was signed with the Gumatj, Rirratjingu and Galpu Traditional Owners. Rio Tinto is the first operator in 40 years to formally acknowledge the Traditional Owners by establishing an agreement. In 2018, Gove operations spent more than A$24 million on goods and services from local and Indigenous suppliers.

Rio Tinto was recognised at the 2019 Queensland Resources Council Indigenous Awards for creating sustainable Indigenous procurement and employment opportunities through its Amrun Project Local and Indigenous Participation Strategy. Key actions implemented under the strategy included Rio Tinto developing a North Queensland Indigenous Business Directory to enhance visibility of Indigenous business capability in the region and the requirement for all work package bidders over A$1 million to complete Local and Indigenous Participation Plans (LIPP) to ensure the inclusion of Indigenous companies in the award of contracts. As at the end of 2018, 69 Western Cape businesses including 17 Indigenous businesses had supplied goods directly and indirectly to the Amrun Project.

Rio Tinto is also a major contributor to the regional economy on the Western Cape, including significant investment in local infrastructure to support the Weipa township. The Weipa Town Authority manages the township with the support of local Traditional Owners under the Weipa Township Agreement. In 2018, Weipa operations spent more than A$65 million on goods and services from local and Indigenous suppliers.

In 2017, Rio Tinto engaged CSIRO for the Local Voices project in the Pilbara, in order to better understand what is important to regional communities. Through regular surveys, communities have a direct voice to the company, providing feedback on life in the Pilbara, the relationship with Rio Tinto, and the positive and negative aspects of living in a mining region. More information is available at research.csiro.au/localvoices.

Rio Tinto also makes a contribution to local communities through a range of community investments and partnerships. In WA last year, for example, Rio Tinto provided over A$19 million to community initiatives, which

included support for the Royal Flying Doctor Service (RFDS). As a long-term supporter of the RFDS in WA, Rio Tinto has committed A$22.5 million since 2004 in support of the service. This includes A$10 million towards the acquisition and aero medical fit-out of the two PC-24 jet aircraft which serve as “emergency wards in the sky”.

In Queensland, the Rio Tinto *Here for Gladstone* program is another example of our community investments. Supported primarily by Rio Tinto, Boyne Smelters Limited, and Queensland Alumina Limited, the program is governed by a board made up of community and business leaders, and is solely focussed on improving the health, livelihood, and welfare of the Gladstone community. Since it was established in 2002, the program has invested A$6.35 million into the Gladstone community, supporting a range of initiatives.

4.0 Conclusion

Rio Tinto welcomes the work of the Productivity Commission and supports any efforts to improve the competitiveness of Australia's resources sector. We look forward to working with the Government and continuing to participate in the review.

Australia has the world's most diverse and plentiful mineral and energy reserves[19], and is still relatively unexplored. Attracting more investment and enabling growth in the sector will help to create jobs, support local business, ensure sustainable operations, and provide additional revenue for Australian governments through taxes and royalties, helping to secure a positive future for the nation.

[19] Department of Industry, Innovation and Science (2019). *National Resources Statement*. Canberra, p. 11.

APPENDIX 1 – South of Embley (Amrun) case study

Entity: RTA Weipa Pty Ltd (RTAW)

Project: South of Embley (Amrun)

Project overview: The project involved a staged increase in bauxite production up to 50 million dry product tonnes per annum (Mdpta). The mine would directly employ a workforce of approximately 500-760 up to 30 Mdpta, and 1,020 at 50 Mdpta. Key infrastructure included river terminals, export facility, mine infrastructure area, tailings dam, power station and distribution network, freshwater dam, and an accommodation village.

For further information, an EIS summary along with the complete Commonwealth and Queensland EIS can be located at the following link: http://www.riotinto.com/documents/SoE_EIS_Summary_document.pdf

Approvals pathway: The project was initially referred to the Commonwealth Minister for Environment, Heritage and the Arts under the *Environmental Protection & Biodiversity Conservation Act 1999* (EPBC Act), who subsequently declared the project a "controlled action."

Up until the change in project description discussed below, the project was initially to be assessed under a bilateral agreement between the Commonwealth and Queensland governments using the environmental impact assessment (EIA) process under Part 4 of the *State Development and Public Works Organisation Act 1971* (Qld) (SDPWO Act). The EIA process is then managed by the Queensland Coordinator General (CG).

The Commonwealth provided comment on the Queensland "terms of reference" for the EIA.

The existing Weipa operations Environmental Authority (EA) was amended to include specific project conditions that were identified in the CG report which is amended and approved under the *Environmental Protection Act 1994* (EP Act) (Qld).

Timeline:

- **July 2008**. Submission of the initial advice statement (IAS) under the SDPWO Act.
- **October 2008**. Referral assessment concludes the project is declared a controlled action under the EPBC Act.
- **November 2008**. The CG sought changes and additional information in the IAS. It was subsequently resubmitted upon which the project is declared "significant" in that same month.
- **October 2010**. Following a change to the proposed port design and revised referral submission, the project is declared a controlled action by the Commonwealth Minister for Environment, Heritage and the Arts under the EPBC Act. This change introduced an additional Commonwealth marine area controlling provision. This inclusion meant that the Commonwealth Environmental Impact Statement (EIS) would be assessed separately by the Commonwealth rather than under the previous bilateral arrangement.
- **December 2010**. The Department of Sustainability, Environment, Water, Population and Communities (DSEWPaC) issued tailored guidelines. Note the DSEWPaC took the opportunity to require additional information on the original two controlling provisions (i.e. listed threatened species and communities / listed migratory species), which had not previously been required.
- **January 2011**. EIS is released for public comment. Note the EIS release was delayed due to the aforementioned change in Port scope to accommodate a larger vessel size (Panamax to Cape). This meant having to rework all dredging related aspects, including sediment sampling and analysis, dispersion modelling etc.

- **August - December 2011**. The DSEWPaC provided a number of comments during the public review period. RTAW responded to a number of these comments with further technical information to commence submission of the final EIS.

- **November 2011**. As part of the public review period, The Wilderness Society made a submission to the Commonwealth Environment Minister that shipping through the Great Barrier Reef World Heritage Area (GBRWHA) be considered as part of the Commonwealth EIS.

  Note that RTAW's position was that this was an existing authorised activity using existing shipping lanes with minimal increase in bauxite related shipping to east coast refineries. The Commonwealth Minister disagreed.

- **January 2012**. The Environment Minister advises RTAW of a reconsideration request in response to the Wilderness Society objection.

- **March 2012**. A new controlled action decision was made with additional controlling provisions of world heritage properties, national heritage places, and the Great Barrier Reef Marine Park.

- **July 2012**. New EIS guidelines are released with significant negotiation carried out to limit additional assessment of shipping activities to be constrained relative to the risk.

  The outcome of this was that RTAW now had to manage two EISs, one for Queensland and one for the Commonwealth, with subsequent impact to schedule and proponent cost.

  The Queensland EIS had to be reworked with all existing Matters of National Environmental Significance information presented in a completely restructured manner.

- **May 2012**. The CG approves the Queensland EIS (no longer a bilateral process, CG did not need to wait for the Commonwealth Ministerial approval).

- **November 2012**. An objection from the Wilderness Society on the draft EA under the EP Act is received, which is referred to the Queensland Land Court.

- **November 2012**. The revised Commonwealth EIS is released with new chapters about shipping through the GBRWHA. Four submissions were received.

- **March 2013**. Final Commonwealth EIS submitted.

- **May 2013**. The Commonwealth Minister approves the EIS under the EPBC Act.

- **February 2014**. The Queensland Land Court recommends the EA be granted with no amendment to existing approval conditions.

- **March 2014**. The Department of Environment and Heritage Protection issues RTAW with the EA.

Taking the above into consideration, the overall time from the project being declared a significant project to the release of the EIS was 26 months. From IAS to a final EA was 68 months or 5.6 years.

These milestones and timeframes are attached as **Appendix 2**, which also includes some other project examples with extended timeframes.

APPENDIX 2 – comparison of project approvals timelines

Table 1. Approvals comparison – no Land Court

Project	**IAS/EA Amendment to EIS Release** (months)	**EIS Release to Final EA** (months)	**Total** (months)
Skardon River	20	14	34
Bauxite Hills	9	13	22

Table 2. Approvals comparison – with Land Court

Project	**IAS/EA Amendment to EIS Release** (months)	**EIS Release to Final EA** (months)	**Total** (months)
South of Embley	30#	38^	68
New Acland Stage 3	14	40 (Land Court blocked EA)	54

#delayed due to change in port scope
^extended Land Court due to Member's absence

Table 3. South of Embley (Amrun)

Initial advice statement	July 2008
EIS released (#delayed due to change in port scope)	January 2011
EPBC Act reconsideration re shipping - new Commonwealth EIS required	March 2012
Qld EIS Approved	May 2012
Draft EA referred to Land Court	November 2012
New Commonwealth EIS released	November 2012
EPBC Act Approval	May 2013
Land Court recommended EA grant with no change to conditions	February 2014
EA issued	March 2014

Table 4. New Acland Stage 3 (New Hope)

Initial advice statement	April 2007
EIS released	November 2009
Revision to Project and new EIS required	November 2012
New EIS Released	January 2014
EIS Approved	December 2014
Draft EA referred to Land Court	October 2015
Land Court recommend EA not be granted	**May 2017**
New Hope seeks judicial review in Supreme Court	July 2017
Supreme Court sets aside Land Court decision	May 2018
Land Court recommends EA be granted	November 2018