

31 March 2005

STATE OF THE ENVIRONMENT REPORTING IN VICTORIA

COMMENTS ON THE

CONSULTATION GUIDE AND BACKGROUND PAPER

INTRODUCTION

The Minerals Council of Australia (MCA) welcomes the opportunity to comment on the “State of the Environment Reporting in Victoria” consultation guide and background paper prepared by the Commissioner for Environmental Sustainability in February 2005.

The MCA is the peak industry organisation representing Australia's exploration, mining and minerals processing industry in its contribution to sustainable development and society both nationally and internationally. The Australian minerals industry generated \$41 billion in exports for the Australian economy in 2003-2004 which is 28 percent of total exports and 8.5 percent of GDP. MCA member companies produce around 85 per cent of Australia's total mineral output and over 90 per cent of Australia's mineral exports. The MCA's Victorian Division (MCAVic) represents the interests of members operating in Victoria.

Members of the MCA are committed to the Australian minerals industry's framework for sustainable development, *Enduring Value*¹, which operationalises the International Council for Mining and Metals principles (see **Attachment 1**). For the minerals industry, sustainable development defines our licence to operate and means that investments in minerals projects should be financially profitable, technically appropriate, environmentally sound and socially responsible. Importantly it's about the interdependency of social, environmental and economic considerations. It is a three-dimensional prism through which the industry can focus on its contribution to the economy and to Australian society.

The MCA is a strong supporter of the need for precise, regular and scientifically based state of the environment reports. We see that such reports will provide the factual base for the development of government policy as well as a basis for the assessment of existing or past government policy. As stated above, the minerals industry, through *Enduring Value* is committed to the principles of sustainable development. We also note that the Victorian government is committed to goals that balance the social,

¹ Minerals Council of Australia, *Enduring Value*, The Australian Minerals Industry Framework for Sustainable Development, 2004.

economic and environmental considerations that form the basis of budget and policy decisions².

In assessing the proposed state of the environment reports for Victoria we have gauged our response in the context of sustainable development and the triple bottom line rather than the limited view of environmental sustainability.

CONCERNS FOR THE VICTORIAN ENVIRONMENT

It is important that the state of the Victorian environment is mapped. However, to consider the environmental issues in isolation would be contrary to the government's approach to the development of the State and contrary to the "modern" sustainable development approach. The MCA believe that it is important that a balanced triple bottom line or sustainable development assessment is undertaken when preparing the state of the environment (SoE) reports.

THE REPORTING MODEL

As stated in the background paper SoE reports should be scientifically credible, identify trends and emerging issues, assess efforts to deal with important issues and be regular. This approach is supported.

However, the MCA is concerned with the proposal that the SoE report will "make recommendations to government on the options for future management" (p9). This was not included in the original role of the Commissioner and we fear that if the report were to contain "options for future management" it would fail the scientifically credible test and move into the public policy arena. We believe that it is important that the SoE is just that, a scientifically credible report on the state of the environment. The inclusion of options for management action would move the report from science fact into public policy which is invariably contentious and would detract from the fundamental value of the SoE report. If the Commissioner wished to recommend options for future management to the Government then these should be included in a separate report or issues paper.

It is important that the SoE report maintain its scientific credibility.

The MCA has no particular comment on the proposed pressure-state reporting model or the possibility that it may be expanded to include other factors such as driving forces and impacts of management activities on the environment. We do however, agree that it is important that the report be compatible with those of other jurisdictions.

IDENTIFIED THEMES

It is noted that the proposed reporting themes include "Fundamental Pressures" as well as "Progress Towards Sustainability" and therefore ensure a broad cover of the pressures on the environment. These two particular themes provide the opportunity

² Victorian Government, *Growing Victoria Together*, A Vision for Victoria to 2010 and Beyond, March 2005.

for the socio-economic pressures to be assessed. The MCA believes that it is important to overlay the socio-economic pressures on parts of regional Victoria when considering the current status of the environment.

IMPORTANT INDICATORS

The MCA has no particular comment on the use of the nationally agreed indicators for the SoE report.

HIGH PRIORITY ENVIRONMENTAL ISSUES

The high priority environmental issues for the minerals industry include:

- Climate change, greenhouse gas emissions, air quality;
- Native vegetation, revegetation and land rehabilitation, threatened species habitat;
- Water recycling, water conservation;
- Aboriginal cultural heritage;
- Eco-efficiency.

However, it is noted that there does not appear to be a particular process to assess the cumulative impacts of particular actions or land uses on a regional basis. The assessment of regional cumulative impacts is seen by the minerals industry as one of the key advantages of SoE reporting.

OTHER ENVIRONMENTAL ISSUES

The SoE reports are seen as a fundamental tool for assessing the impacts of proposed developments. The SoE reports will provide an impartial, scientifically based and credible baseline for the determination of impacts in the preparation of environmental effects studies.

AVAILABILITY OF DATA

Past environmental effects studies undertaken by mining companies provide a vast array of high quality data that should prove invaluable to the Commissioner.

CONSULTATION

We have no specific advice for the Commissioner on who should be consulted.

THEME REPORTS OR ISSUES PAPERS

As stated above, one of the issues papers could be the recommendations to government of options for environmental management.

ENDS

ICMM Sustainable Development Framework:

On May 29th 2003, the International Council on Mining & Metals (ICMM) approved ICMM's Principles and resolved that ICMM corporate membership includes a commitment to measure corporate performance against these principles.

The Principles are central to ICMM's sustainable development framework. They are based on the objectives set by the minerals industry in Toronto in 2002 and draw on the landmark MMSD report. They reflect the values and the policy directions that will help ensure that the industry continually improves the sustainability of its operations. They will also guide the design of the industry's performance measurement processes in conjunction with the Global Reporting Initiative.

ICMM Principles

As members of ICMM or as companies that have otherwise agreed to take on the same performance obligations as ICMM members, we seek continual improvement in our performance and contribution to sustainable development so as to enhance shareholder value. In striving to achieve this, we will:

1. Implement and maintain ethical business practices and sound systems of corporate governance.
2. Integrate sustainable development considerations within the corporate decision-making process.
3. Uphold fundamental human rights and respect cultures, customs and values in dealings with employees and others who are affected by our activities.
4. Implement risk management strategies based on valid data and sound science.
5. Seek continual improvement of our health and safety performance.
6. Seek continual improvement of our environmental performance.
7. Contribute to conservation of biodiversity and integrated approaches to land use planning.
8. Facilitate and encourage responsible product design, use, re-use, recycling and disposal of our products.
9. Contribute to the social, economic and institutional development of the communities in which we operate.
10. Implement effective and transparent engagement, communication and independently verified reporting arrangements with our stakeholders.

ICMM corporate membership includes a commitment to measure corporate performance against these principles.