



28 October 2013

Mr Ian Rickuss MP
Chairman
Agriculture, Resources and Environment Committee
Queensland Parliament
Cnr George and Alice Streets
BRISBANE QLD 4001

Dear Mr Chairman

I write in response to your committee's call for submissions regarding the *North Stradbroke Island Protection and Sustainability and Another Act Amendment Bill 2013*, which was introduced into the Queensland Parliament on 17 October 2013.

Thank you for affording us this opportunity.

As the Chief Executive Officer of Sibelco Australia Limited, the operator of sand mines on North Stradbroke Island, I am pleased to support the Queensland Government's policy to allow for continuity of mining until 2035 and to restore limited sand mining rights.

With the certainty this legislation brings, Sibelco will be able to make investment decisions worth millions of dollars. Investments that will; provide certainty for our workforce, reduce the interaction between mining activities residents and visitors, reduce our footprint and environmental impact, and support the island community's long term aspirations.

Sand mining has underpinned the economy of North Stradbroke Island for over 60 years and the previous Government's plan to cease all mining activity by 2019 did not allow sufficient time for an alternative economy to develop.

Sibelco continues to work hard to be a good neighbour and ensure our operations do not impact on the Indigenous Joint Management Areas and are respectful of the Native Title rights of the Quandamooka people. By continuing sand mining, we are delivering job security for a large number of indigenous and non-indigenous families on North Stradbroke Island.

We also remain committed to maintaining our high standard of environmental rehabilitation. Our mine footprint will be reduced to less than four per cent of the Island's land mass and our operations will be isolated from environmentally sensitive areas.

Sibelco welcomes this legislation as a responsible policy that supports economic growth and sensible transition of the Island's economy.

Yours sincerely

A handwritten signature in black ink, appearing to read "Campbell Jones".

Campbell Jones
Chief Executive Officer



Sibelco Australia Limited

Submission on the North Stradbroke Island Protection and Sustainability and Another Act Amendment Bill 2013

Introduction

Sand mining is the largest industry and economic contributor to North Stradbroke Island (NSI). For more than sixty years, sand mining has been the island's main employer and, as such, has the support of the local community. Sibelco Australia Limited (**Sibelco**) is the operator of the Enterprise, Yarraman and Vance sand mines on NSI.

The *North Stradbroke Island Protection and Sustainability Act 2011 (the Act)*, as it stands, generates uncertainty for NSI's future. The Act enforces the premature closure of the Enterprise Mine on NSI by 2019, a requirement that will cause the loss of approximately 300 direct and indirect jobs on the island, and more than \$130 million in economic benefits.

This committee is considering the *North Stradbroke Island Protection and Sustainability and Another Act Amendment Bill 2013 (the Bill)*. The Bill will provide certainty to Sibelco, other NSI businesses, the traditional owners, local community, and other stakeholders. Sibelco can continue to support the community's efforts to realise their aspirations, and to continue making a positive financial contribution to the local and state economy.

Sibelco is committed to being a good neighbour and wants to ensure the rights of the traditional owners of Minjerribah (North Stradbroke Island) are respected. Our sand mining operations supports more than 60 local Quandamooka people. In fact, 20 per cent of our workforce is indigenous. Sibelco remains committed to supporting the families of our indigenous employees. We are also committed to respecting the native title rights and the cultural heritage that has been long established on the island.

Our environmental rehabilitation practices are well regarded and have won multiple awards. Our extensive environmental management and monitoring program incorporates water quality, air quality, noise, fauna and flora and we remain committed to ensuring high standards in environmental management.

We would like to expand on our views of how the Bill will impact on three topics; the economy, the community, and the environment.



The Economy

Passage of the Bill would allow Sibelco to make the long-term business decisions that support the aspirations of the island. With legislative certainty Sibelco will be able to make investments worth millions of dollars which provide certainty for employees, as well as the broader NSI community.

With certainty about the future of sand mining enshrined in legislation, the NSI community can start planning for a sustainable future of the Island after sand mining concludes in 2035.

In 2013, an independent economic analysis was commissioned through Synergies Economic Consulting to better understand the financial relationship between Sibelco and the NSI community. The report found that mining contributed \$130 million to the local economy in the last 12 months. \$77.5 million of this amount represents a net economic welfare value add to the local community.

The study also showed that, should mining operations cease on NSI, the Gross Regional Product (GRP) will be reduced by approximately 26%. This impact will be greatly magnified through indirect impacts on other industries due to the heavy integration of mining with the rest of the economy.

The cessation of mining on NSI will also see a reduction in employment by 14% on the island, with additional direct job losses in South East Queensland.

Broader economic impacts also include a loss of \$196 million in revenues paid to governments in net present value terms.

A copy of the report is attached as Appendix A.

The Community

Sand mining employs almost 300 people on NSI, with a further 230 people employed on the mainland.

For over 60 years, sand mining on NSI has supported the local economy and provided jobs for island residents. NSI's economy didn't develop overnight and it has taken many decades for the island to become a prosperous community that people want to visit and call home.

NSI has a unique economy with strong links to the community, mining activity and tourism. It is not an economy that can be easily replaced or replicated elsewhere.

Sibelco understands this and will continue to support the community by providing jobs, income and economic growth for as long as we are operating on NSI.

Sibelco can now make the long-term business decisions that support the aspirations of the island, and provide real outcomes for the employees and their families, as well as the broader community. We will also continue with our long-term plans to support the economy through on-going sponsorship, partnership and in-kind assistance.



The Straddie Sand Mining Community Fund

The Straddie Sand Mining Community Fund (**the Fund**) is the largest community investment ever made in the history of the Bay Islands. The Fund's simple goal is to promote long-term quality of life for all community members living on NSI.

On 30 July 2011, at the Straddie Community Forum, locals suggested a community fund be established. Since then Sibelco has been working to make this an ongoing success, with an initial donation of \$1 million which has already started to be translated into community projects on the ground.

Once certainty for the future of sand mining to continue on NSI has been established, Sibelco will immediately commit an additional \$1 million to the Fund to help support NSI's community groups and ensure the island continues to be a great place to live and visit. We are proud of the support the Fund gives and will support it now and into the future.

Organisations that have significantly benefited recently from Sibelco's support include:

- Volunteer Marine Rescue
- Stradbroke Island Chamber of Commerce
- Stradbroke Island Golf Club
- Straddie Salute Triathlon
- Straddie Sharks
- Marie Rose Medical Centre
- Minjerribah Moorgumpin Elders in Council.

Through the Fund, sand mining has helped these community groups grow. Many depend on Sibelco's ongoing support and with certainty about sand mining we can continue our support.

Community feedback

Sibelco has a close connection with the community, and it was important for us to know whether they did or did not want to see sand mining continue on NSI. Previous governments had failed to consider what the island community wanted for their future, and as a result the community had felt largely ignored and disempowered in having control in their future.

When the Act was originally introduced into Parliament in March 2011, we established a community engagement program that would give residents a chance to share their thoughts and visions for the future of NSI.

In 2011, we engaged extensively with NSI community members to understand what they wanted for their future. The results showed 84% disagreed with the former Labor Government's decision to close down mining by 2019.

Again in 2012, Sibelco went back out to the community to determine if support for sand mining on the island still remained. Results from residents again showed the community overwhelmingly supported sand mining to



continue on the island, and in fact, many viewed mining as the primary contributor to social and economic prosperity on the island, now and into the future.

It is clear to Sibelco that the large majority of the community want sand mining to continue on NSI and allow for a more realistic approach to transition.

Copies of our outcome reports from 2011 and 2012 can be found in Appendix 2.

The Quandamooka people

Sibelco is committed to being a good neighbour and wants to ensure the rights of the traditional owners of Minjerribah (North Stradbroke Island) are respected.

Sand mining has always employed local indigenous people since its inception in the 1950's. Today, our sand mining operations support more than 60 local Quandamooka people, 20 per cent of our NSI workforce. Sibelco is committed to respecting the cultural heritage of NSI and we work closely with the traditional owners and State Government to implement and maintain cultural heritage management plans.

We have been careful to ensure that plans for mining do not impact adversely on aboriginal land or the Indigenous Joint Management Areas. We recognise and support the Native Title rights that were awarded to the Quandamooka people in 2011. It is this recognition and respect for the culture of our employees and local people that has made us work hard to ensure that the ongoing Enterprise mine operation does not conflict with Native Title rights and customs.

With this precautionary approach, Sibelco believes the Bill is consistent with the *Native Title Act 1993 (Cth)* and we understand from the State Government that it does not breach the Indigenous Land Use Agreement. The Bill does not impact on areas subject to Indigenous Joint Management and also has no effect on the existing National Park.

Sibelco has made a number of business decisions and invested in local people programs to demonstrate our good faith to the Quandamooka people. Our offer for future programmes was reiterated to the Quandamooka Yoolooburabee Aboriginal Corporation (**QYAC**) in May this year.

Possible programmes and initiatives include:

- Provision of traineeships and apprenticeships for the life of the project on North Stradbroke Island
- Assistance for skills assessment and business development
- Development of a scholarship program
- Guaranteed job interviews for Quandamooka people
- An access agreement to facilitate exercise of Native Title rights, and
- Staged lease relinquishment to facilitate access to land for future use.



Recent examples of our support include funding the long term restoration projects at the historic mission site and the aboriginal cemetery at Myora, the renovation and air conditioning of the indigenous art gallery, and funding the research and compilation of an indigenous language dictionary.

Sibelco is ready to assist the Quandamooka with their aspirations for management of NSI. We look forward to continuing discussions with QYAC about how we can assist in achieving their long term aspirations. We believe that by working together we can achieve many positive things for the indigenous community and for all residents and visitors to NSI.

The Environment

Sibelco has adopted an environmentally responsible approach to the continuation of mining on NSI.

The Bill means Sibelco can now deliver a smooth transition from three separate mining operations on NSI, to one, reducing the mining footprint and the environmental impact on the island. Under the Bill, Sibelco's operations will encompass less than four per cent of NSI's land mass. In addition, all future mining will be separated from NSI's beaches, wetlands, lakes and lagoons, protecting more of the island's flora and fauna for the future, including buffered from the RAMSAR listed Eighteen Mile Swamp.

Sibelco is proud of our long running commitment to rehabilitating former mines to bushland. Sibelco is well regarded in rehabilitation processes and progressively rehabilitates landforms, native vegetation and reconstructs ecosystems to achieve long term sustainability on NSI.

In 2008, the company was awarded the prestigious Queensland Government Resources Industries Sustainability Award. This award presented by the Environmental Protection Agency (now Department of Environment and Heritage Protection) recognises outstanding performance in environmental management and rehabilitation. It was awarded for developing scientifically robust rehabilitation criteria.

Our goal is to restore mined land to a sustainable ecosystem, providing sufficient numbers and diversity of plant and animals species to allow habitats similar to those existing prior to mining to redevelop. Our rehabilitation programs are based on a deep understanding of NSI's unique ecosystems, with over 60 years of research and experience. We progressively rehabilitate as we go. Progressive rehabilitation ensures the land is restored quickly and that ecosystem processes can re-start within only a few years of mining.

With certainty of operations in place through the passage of the Bill, we will then be able to accelerate the handing back of rehabilitated areas and undisturbed land. Our mining disturbances for the remaining life of the mine will be less than 4 per cent of NSI's land. This is much less than our original plans and will ensure minimal impact on the environment.

Our extensive environmental management and monitoring program incorporates water quality, air quality, noise, fauna and flora.



As part of our ongoing commitment to the long-term protection of NSI's flora, Sibelco is committed to further strengthen environmental regulation of our activities by adopting the Queensland government's new model conditions for mining projects. These new conditions, coupled with our already strong rehabilitation criteria requirements now make our mining licence one of the most thorough and stringent in the state.

Excellent Conservation Programs on NSI

Sibelco conducts high quality ecosystem rehabilitation and fauna research into a number of rare species on NSI, and have been doing this so for decades.

Some of our past and current conservation programs on NSI include:

- The Glossy Black Cockatoo is a rare and secretive bird found in many forested areas on the island, including old mining rehabilitation. Research into this bird is helping us to develop a strategy for the management of Glossy Black Cockatoos in the greater Brisbane region.
- Results from our Koala Monitoring Program, now well into its second decade confirm the island population is thriving and regularly inhabits our rehabilitated mine sites. This innovative, Sibelco funded program is a collaboration between the company and the University of Queensland. The program has not just protected the koala on our leases, but expanded the knowledge of this animal for better management of the species into the future.
- Sibelco's Frog Management plan has been developed on the basis of data collected over more than fourteen years of monitoring frog species on the island. We conduct regular monitoring programs for significant frog species each year.
- Sibelco sponsors the University of Queensland's NSI Marine Research facility through a number of research programs including the study of Dugongs and sea grass in Moreton Bay, and Manta Rays that migrate to the area each year.
- We have been active supporters of whole of island research with recent funding for projects into perched lakes, wetland development and hydrological processes.
- We have also provided seed funding for work to look into better injured wildlife care on the island and feral animal control
- Sibelco also recognises that good research needs to be disseminated to the public and have supported the production of two publications, the flora of NSI and recently the publication of a special volume of the proceedings of the Royal Society of Queensland on NSI.

Sibelco will continue to work closely with the Government particularly the Department of Environment and Heritage Protection, to ensure any environmental risks are managed appropriately.



Closing

Sibelco submits that there are compelling economic, community and environmental reasons to support the Bill.

Under the Bill, Sibelco's operations will reduce to less than four per cent of NSI. Sibelco's operations will be buffered from National Park and all environmentally sensitive areas such as NSI's beaches, wetlands, lakes and lagoons.

Further, with sovereign risk being adequately addressed through the passage of the Bill, Sibelco can work together with the community, the Quandamooka People, QYAC, and the State Government towards a future with mutual benefits for all stakeholders. Under this model, Sibelco can invest to bring forward a staged lease relinquishment to facilitate access to rehabilitated land for future use depending on the aspirations of these stakeholders. Sibelco is part of the community in NSI and wishes to continue to consult and invest to achieve an outcome that is in the best interests of all.

We urge the committee to provide their support for the Bill and in so doing, provide NSI with the certainty, economic support and time it needs to transition to a future that is not reliant on sand mining.



Impact of ceasing sand mining on North Stradbroke Island

Updated Report for Sibelco

September 2013

Synergies Economic Consulting Pty Ltd
www.synergies.com.au

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The report is supplied in good faith and reflects the knowledge, expertise and experience of the consultants involved at the time of providing the report.

The matters dealt with in this report are limited to those requested by the client and those matters considered by Synergies to be relevant for the Purpose.

The information, data, opinions, evaluations, assessments and analysis referred to in, or relied upon in the preparation of, this report have been obtained from and are based on sources believed by us to be reliable and up to date, but no responsibility will be accepted for any error of fact or opinion.

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Key findings

Sibelco has requested Synergies Economic Consulting (Synergies) to update its November 2011 assessment of the contribution of mining to the North Stradbroke Island (NSI) economy and community. Data for this update was provided by Sibelco.

To assess the importance of mining activity on NSI to the local economy, this report examines the impact on NSI should all mining operations cease.

It is estimated that the economic impacts from the cessation of mining will:

- result in direct revenue losses of around \$180.4 million per year of which approximately \$114.05 million represents value added
- directly reduce the GRP of the island by between 29% and 32%. The total impact will be greater because of the high degree of integration of mining with the rest of the economy
- directly reduce employment by up to 14.6% (130 FTEs) and a further 17% from consequential flow-ons (151 FTEs) as well as additional direct job losses in South-East Queensland (61 FTEs).
- reduce royalties paid to governments by between \$60-80million over the life of the mine.

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1 Introduction

Sibelco has requested Synergies Economic Consulting (Synergies) to update its November 2011 assessment of the contribution of mining to the North Stradbroke Island (NSI) economy and community. Data for this update was provided by Sibelco.

To assess the importance of mining activity on NSI to the local economy, this report examines the impact on NSI should all mining operations cease. It identifies the impacts on the value of production, incomes, employment and revenues received by governments. Impacts are estimated both for the direct impacts of a cessation in operations by Sibelco, and the flow-on or indirect impacts on other NSI industries. The indirect impacts are supported by an analysis of the relevant inter-industry linkages in the NSI economy as well as its links with the rest of South-East Queensland.

The report is structured as follows:

- section two updates local economic data
- section three describes the direct economic impacts of ceasing mining activity
- section four describes the indirect economic impacts
- section five outlines the conclusions of the analysis.

2 Background

2.1 Mining on NSI

In 2010-11 Sibelco produced 526,000 tonnes of heavy mineral sands and silica. The heavy sand and silica were used in domestic manufacturing and exported.

In our November 2011 study, we based the value of production on a 5 year average. In 2013 Sibelco has advised that it expects the annual value of output to be approximately \$180.4 million and has requested that the impacts be reassessed at the higher value.

2.2 Updated regional economic data

2.2.1 Population

As at the 2011 census, the population of NSI was 2,032 persons, down from 2,121 persons in 2006. The main NSI population centres are Dunwich, Amity and Point Lookout.

2.2.2 Employment

Since the 2006 Census there has been some notable changes in the employment profile of NSI. The total labour force has dropped by 6% to 890. The share in the percentage of the population aged 15 years or more has dropped from 55.9% to 54.2%. The percentage of those employed full time has fallen to 51.6%. Unemployment has risen from 2.6% to 6.4%.

These changes in some ways reflect the general downturn in labour market conditions in Queensland in recent years but they are greater than the changes recorded for the Redlands district as a whole. The most likely cause of this is as a reaction to the uncertainty regarding the mining industry and the impact that has had on the economy of the region.

Table 1 Employment profile, persons aged 15 years and over, 2011

	North Stradbroke Island			Redland City Council	
	2011 (Number)	Per cent of Labour force	Per cent of Total pop. >15 years	Per cent of Labour force	Per cent of Total pop. >15 years
Full time	459	51.6		60	
Part Time	354	40.9		32.8	
Not stated	10	1.1		1.9	
Total Employed	823	93.6		94.6	
Total Unemployed	57	6.4		5.46	
Total in labour force	890	100	54.2	100	65
Total not in labour force	633		38.4		31.3
Not Stated	120		7.4		3.7
Total pop. (>15 years)	1,643		100		100

Source: ABS Census of Population and Housing 2011

2.2.3 Industry structure

Table 2 contains our current estimates of the industry of employment for NSI and compares these to the corresponding data for RCC and Queensland as a whole. Census results for 2011 are not available at the NSI level of disaggregation but they are for Queensland as a whole. To obtain the estimates for NSI shown in table 2, we assumed that the employment share ratios established between NSI, RCC and Queensland in our earlier report (Synergies (2011)) were maintained and used the small shifts in the Queensland proportions to adjust the NSI and RCC data .

While it is highly unlikely that much in the way of variation in these percentages would have taken place in the period between the reports it is necessary to note that the data in Table 2 for NSI are best estimates rather than verified ABS data. Our estimates underestimate the importance of mining employment to NSI.

Sibelco reported to us that post 2016¹ it will have between 120 and 140 employees on NSI significantly more than our estimate of 120 for 2011. Our impact analysis adjusts the size of the mining workforce in our input-output model to equal 130, the midpoint of the range provided by Sibelco.

¹ In late 2015 the Yarraman operation on NSI will cease reducing employment. It is expected that employment will fall a year later after decommissioning and rehabilitation work is completed.

NSI industries with significantly higher employment shares than the RCC and Queensland are Mining, Wholesale Trade, and Accommodation and Food Services (Table 2). NSI industries with a significantly lower industry share are Manufacturing and Retail Trade.

Table 2 Comparative industry structure by employment, 2011 Census

	NSI	Industry share of employed (Per cent)		
	Employed (Number)	NSI	RCC	Queensland
Agriculture, Forestry and Fishing	26	3	0.9	2.7
Mining ^a	120	13.5	0.7	2.6
Manufacturing	18	2	9.4	8.4
Electricity, Gas, Water & Waste Services	3	0.3	0.6	1.2
Construction	86	9.6	8.1	9.0
Wholesale Trade	87	9.8	4.6	3.6
Retail Trade	8	1	17.2	10.7
Accommodation and Food Services	139	15.6	7.7	7.0
Transport, Postal and Warehousing	34	3.8	3.2	5.3
Information Media & Telecommunications	6	0.6	1.3	1.2
Financial and Insurance Services	8	1	2.1	2.7
Rental, Hiring and Real Estate Services	18	2	2.7	1.8
Professional, Scientific & Technical Services	27	3	4.6	6.5
Administrative and Support Services	41	4.7	3.0	3.2
Public Administration and Safety	54	6	4.7	6.5
Education and Training	73	8.2	9.8	7.9
Health Care and Social Assistance	87	9.8	11.9	11.9
Arts and Recreation Services	17	1.9	1.1	1.4
Other Services	19	2.1	4.5	3.9
Inadequately described or Not stated	19	2.1	1.2	2.4
Total	890	100.0	100.0	100.0

Source: ABS Census of Population and Housing 2011 and Synergies estimates..

A Sibelco reports that its resident workforce is now 145, almost 15% greater than reported in the 2011 census.

Note: 'Employed, worked full-time' is defined as having worked 35 hours or more in all jobs during the week prior to Census Night.

2.2.4 Occupational profile

NSI's occupational profile does not appear to be dramatically different to the profile for RCC (Table 3). Occupations with a notably higher share in NSI are Technicians & trade workers, Intermediate production & transport workers, and Labourers & related workers. Intermediate clerical, sales & service workers make up a significantly smaller

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share of the NSI labour market, consistent with the employment data showing that the retail sales industry accounted for a significantly smaller share of industry economic activity on NSI.

Table 3 Occupational profile, 2011 NSI

Occupation	NSI persons employed (Number)	Occupational share (%)	
		NSI	RCC
Managers	126	14.2	12.3
Professionals	117	13.1	16.2
Technicians & trades workers	126	14.2	16.4
Community & personal services workers	111	12.5	9.6
Clerical & administrative workers	92	10.3	17.3
, sales & service workers	53	6.0	10.6
Machinery operators and drivers	89	10.0	6.2
Labourers & related workers	126	14.2	9.0
Inadequately described/not stated	50	5.6	1.6
Total	890	100.0	100.0

Source: ABS Census of Population and Housing 2011 adjusted to fit in labour market totals.

3 Direct impacts

3.1 Value of production and Value adding

A full year of lost production is expected to forgo \$180.4 million in revenue of which approximately \$114.05 million represents direct value added.²

The NSI Non-linear model estimates the total net value of economic production on NSI at between \$357 million and \$400 million.³ Ceasing sand mining would reduce the value of economic production by between 29% and 32%.

However, the impact of any closure of the sand mining operations is magnified due to by the integration of mining with the rest of the economy. These indirect effects are presented later in this report.

3.2 Employment

The workforce in sand mining is split between those employed on the island 130 and those employed on the mainland 32.⁴ The industry accounts for approximately 14% of total employment on NSI but a smaller percentage of total employment on the mainland.

3.3 Public finances

Sibelco has recently advised the Queensland Government the Enterprise Mine on NSI could yield from \$60 to \$80 million in royalty payments over the period 2014-2035. The exact revenue yield cannot be precisely stated because it is varied with the market price

² This represents the value of output net of raw materials and operating costs. It is akin to GDP in a National Economy.

³ This level of value adding corresponds to a value of output in the range \$516-693 million per annum. This is a fairly wide range and allows for estimation error. Estimation error is likely because the only industry for which solid data are available for updating the table from the previous study is the mineral sands mining. It would be impractical and potentially misleading to attempt a RAS adjustment on the whole NSI table basis of changes in one industry. Therefore the adjustments from our earlier estimates of GRP are based on a known increase in Mineral Sands and projected indirect increases in value adding based upon the relationships established in the first North Stradbroke non-linear table. This procedure has two problems as a means of estimating the total value of the economy. First, it is not clear what proportion of the increase in the value of mineral sands is driven by price effects or by production effects such as increased production or increased productivity. Second, we also have no specific data on any significant changes (or revaluations) in the other sectors of the economy. For these reasons the estimates of the total size of the North Stradbroke economy should be seen in the light of the simplifying assumptions made and used only as a guide.

⁴ Sibelco provided a range for mainland employment of .30 -35. We adopted a midpoint of 32 in our analysis.

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of mineral sand and the Australian US dollar exchange rate. This estimate is lower than our previous update which reflects reduced production levels.

4 Flow-on impacts

4.1 Direct and flow-on impacts

The revenue from annual production (\$180.4 million) was used as the exogenous shock to the NSI nonlinear model to estimate the total economic impacts.

The key results are:

- a reduction in gross output/turnover of \$333.7 million annually;
- a reduction in Gross Regional Product (GRP) of \$212 million annually;
- reduced factor incomes of \$161 million annually;
- a potential loss of 281 jobs from the NSI economy; and
- additional job losses of 61 FTE in South-East Queensland.⁵

The table below reports the direct, flow-on and total impacts. The impacts on suppliers to Sibelco are shown as flow-on industry effects. Finally the reduced activity also impacts households who have reduced income and therefore reduced total consumption. This is shown as the flow-on consumption effect. The sum of the industry and consumption effects is the indirect economic impacts.

Table 4 Total economic impacts \$ million per annum⁶

Indicator	Direct impact	Flow-on Industry Effects	Flow-on Consumption Effects	Total
Gross Output	180.4	65.7	87.6	333.7
Value Added	114.6	41.7	55.7	212.0
Factor income	90.6	18.3	52.1	161.0
Employment(Stradbroke) ⁷	130	54	97	281

⁵ The additional job losses were estimated outside the model with an appropriate employment multiplier, based on the mainland employment reductions likely for Sibelco if sand mining were to cease on NSI.

⁶ In comparison to the results in our earlier study, the impacts across the categories of turnover, value added, factor income and employment have all increased to reflect the increased value of mineral sands production, however there has been a greater than proportional increase in turnover and value added flow on and a less than proportional increase in factor income and employment. This is a typical (and realistic) feature of non-linear models and in this case reflects the assumption of constant direct employment. This means that most gains flow turnover (output) and non-wage value adding

Indicator	Direct impact	Flow-on Industry Effects	Flow-on Consumption Effects	Total
Employment (S. E Qld)	32	11	18	61

Source: Estimated from NSI Non-linear Model (2013)

These losses are permanent unless another activity can replace the economic value created by sand mining. The economy's heavy dependence on sand mining is evident from its high proportionate share of GRP, which in the short run, will be taken out of the local economy.

In terms of GRP (value added), the loss will be between 53% and 59% of current levels. Job losses will also be heavy with total employment on the Island potentially reducing by approximately 31.5%, and approximately 61 job losses elsewhere in South-East Queensland.⁸

Structural change in economies is a naturally occurring event in which new industries replace existing ones. The crucial factor however in initiating successful structural change is to integrate the reduction in the importance of one industry with the emergence of replacement activity.⁹

Table 5 shows the distribution of indirect employment and value-adding impacts across other industries (for the whole of Queensland).

Table 5 Percentage distribution of indirect employment losses from cessation of sand mining by sector

Sector	Employment (per cent)	Value added (per cent)
Agriculture	1.5	1.5
Manufacturing	16.5	13.5
Utilities	10.5	10
Construction	14	14
Trade	15.5	14.5
Transport & Communications	14	13.5
Tourism	2.5	3
Finance & Business Services	9.0	7.5
Education & Training	5	6.5
Health & Social Services	4	5.5

⁷ Based on midpoint of expected workforce

⁸ Post 2016

⁹ We refer to our previous report which assessed that there was no likelihood of a replacement industry emerging (or an existing industry expanding) to offset these losses.

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Sector	Employment (per cent)	Value added (per cent)
Arts & Recreation Services	2	3
Personnel Services	2	3
Other	4	4.5
<i>Total</i>	<i>100</i>	<i>100</i>

Source: Derived from NSI non-linear model (2013)

Almost all indirect employment and value-added losses occur in manufacturing, trade, construction, transport and communications and utilities as a direct result the linkages between these sectors and the sand mining industry or their suppliers.

5 Conclusions

This report has revised our 2011 estimate of the potential economic impact of ceasing sand mining on NSI.

The population of NSI is highly dependent on sand mining for employment and income. Sibelco is the major employer on NSI. Direct employment in mining accounts for a much larger share of total employment than it does in Redland City Council or Queensland as a whole.

It is estimated that the economic impacts from the cessation of mining will:

- result in direct revenue losses of around \$180.4 million per year of which approximately \$114.05 million represents value added
- directly reduce the GRP of the island by between 29% and 32%. The total impact will be greater because of the high degree of integration of mining with the rest of the economy
- directly reduce employment by up to 14.6% (130 FTEs) and a further 17% from consequential flow-ons (151 FTEs) as well as with additional direct job losses in South-East Queensland (61 FTEs).
- reduce royalties paid to governments by between \$60-80 million over the life of the mine.

Overall, reductions in GRP on NSI are estimated to range from 53% to 59% of current levels. Job losses on NSI would also be heavy with total employment potentially reducing by 31.5%. These are continuing losses until other activity moves into to take the place of sand mining.

Straddie Community Forum

Report to the North Stradbroke Island Community

September 2011

straddie
community forum
Securing Straddie's Future





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Straddie Community Forum
Saturday 30 July 2011, Amity Point Community Hall

About the Forum

On 30 July 2011, a group of 61 residents from North Stradbroke Island (NSI) gathered at the Amity Point Community Hall to participate in the Straddie Community Forum. Hosted by Sibelco, this event was designed to give the NSI community an opportunity to share their thoughts and ideas on a community vision for Straddie and ways in which the company can help the community to work towards that vision.

Over the past 45 years, Sibelco has partnered with the people of NSI in providing financial support to community groups, special projects, events, arts and cultural activities, sporting clubs, and critical infrastructure projects. With plans in place to phase out sandmining on the Island in the future, Sibelco wanted to restate its commitment to the ongoing growth of the community and better understand residents' own vision for their island community – what kind of lifestyle, activities and facilities are important to retain and expand for the benefit of local families.

A mix of Island residents attended the four-hour forum led by an independent research agency. Following a letter distributed to all NSI residents, the agency randomly telephoned people

from all three townships to encourage a good cross-section of locals to attend. On the day, community leaders, longstanding residents and some members of younger families on the Island came together to share their views. A wide range of issues and opportunities were aired with the potential to impact on youth, families, indigenous and non-indigenous residents and local businesses.


Tables of eight to 10 people were formed to discuss the following key questions:

- What do residents like and dislike about community life on the Island?
- What type of community do local people want to see in 2050?
- How does Sibelco currently contribute to community life?
- What community initiatives could Sibelco support in the future?

This Report provides a summary of the viewpoints gathered at the Forum and emails received afterwards from interested residents who were unable to attend.

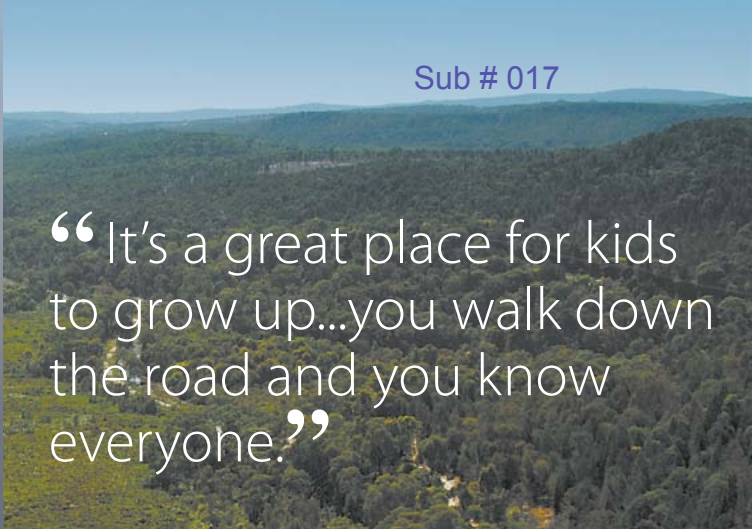


“The community works together to save the Island.”




“There’s a sense of community spirit – a strong sense of belonging.”


Sub # 017




“It’s a great place for kids to grow up...you walk down the road and you know everyone.”




“You get here and you belong here.”



“There’s an amazing comradeship on the Island... everyone pulls together in a tragedy.”



“The kids here are a lot closer because they spend so much more time together... they bond together for many years.”



“People who visit end up falling in love and staying.”

What residents like and dislike about community life

Positive aspects of community life

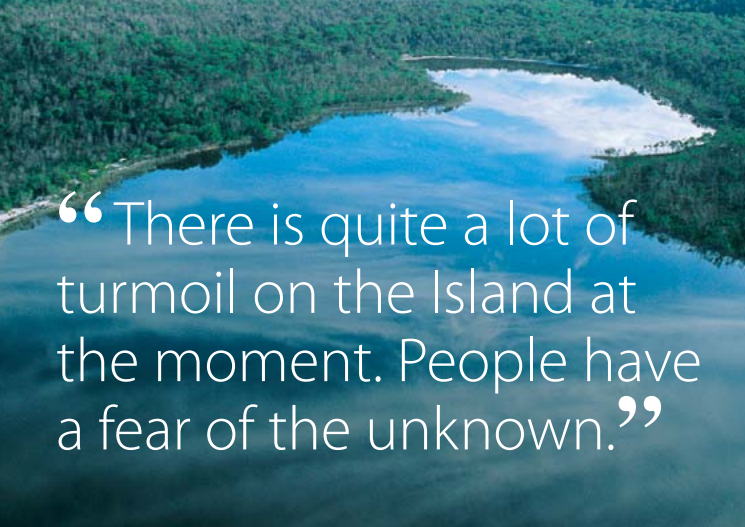
When Forum attendees were asked what they value most about life on NSI, the key theme that emerged was the sense of community. Many commented that the Island's community is much like an extended family as many local people know each other. This sense of community was seen to be one of the main reasons why people move to NSI and stay for many years. Many felt that the presence of some community groups on the Island, like the Volunteer Marine Rescue group, also promotes a strong sense of solidarity in the community and a willingness to help others in times of need. NSI's diverse population with people from all walks of life and income levels was seen to be central to the Straddie community. Many saw this diversity as a key reason why the Island's residents are open-minded, readily accept newcomers and give people the opportunity to be themselves.

NSI's stunning natural landscape and easy going lifestyle were seen to be highly valued assets of island life. Forum attendees believed that the beautiful, unspoilt environment is closely tied to the peaceful and tranquil lifestyle that is currently enjoyed. Some said that during peak tourist seasons, NSI is still able to maintain its laid back, 'small town' feel. While each of the three townships of Dunwich, Point Lookout and Amity Point were seen to have their own unique atmospheres, residents were

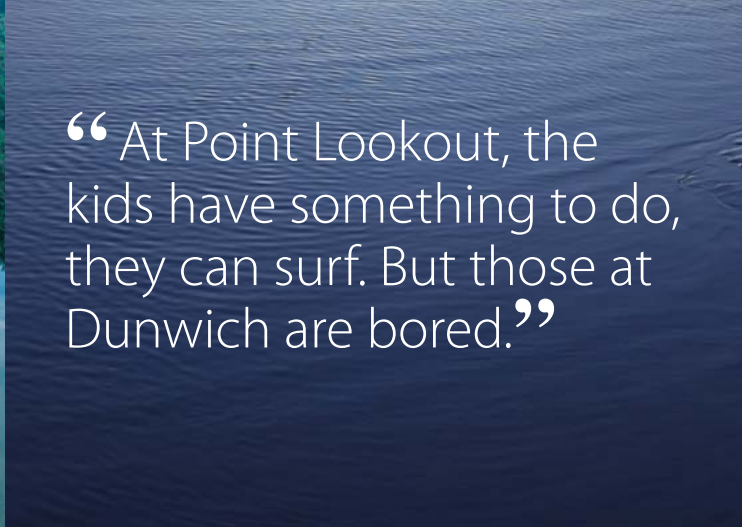
pleased the Island has not become a highly developed tourist destination like the Gold Coast or Noosa.

NSI was also seen to be a safe place to live and a perfect location to raise a family. The Island's school was described as safe, friendly, diversified and a great place to educate children. Residents also mentioned a range of services and facilities which have made island life easier and more enjoyable. Some acknowledged the high standard of NSI's existing health services which are seen to be very accessible and quick to respond in an emergency. In the recreation area, locals also identified the Rugby League Club and the Nippers program as positive initiatives for young children, particularly the Island's indigenous children.

Employment opportunities provided by mining were noted as a positive aspect of life on NSI. Some said that several generations of the one family had felt privileged to have been able to work and live on the Island. A key theme that emerged was the need to develop other industries and business opportunities while the mines are still operating in order to secure sustainable, long-term employment opportunities for the Island's population.



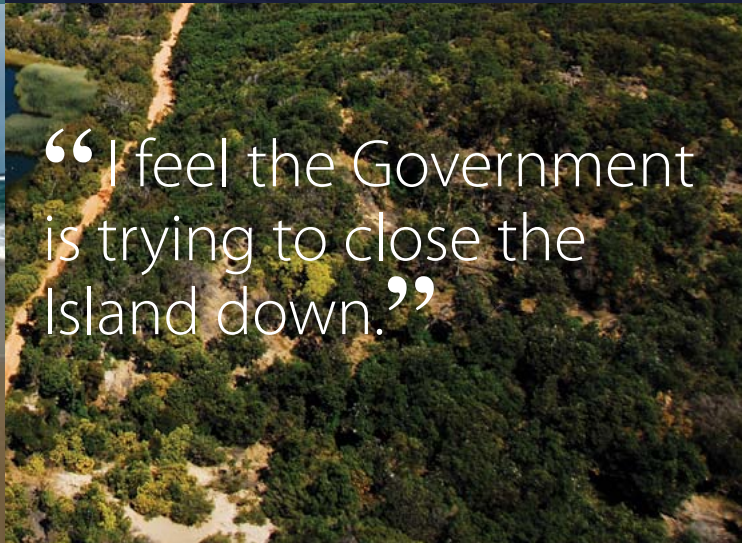
“There is quite a lot of turmoil on the Island at the moment. People have a fear of the unknown.”



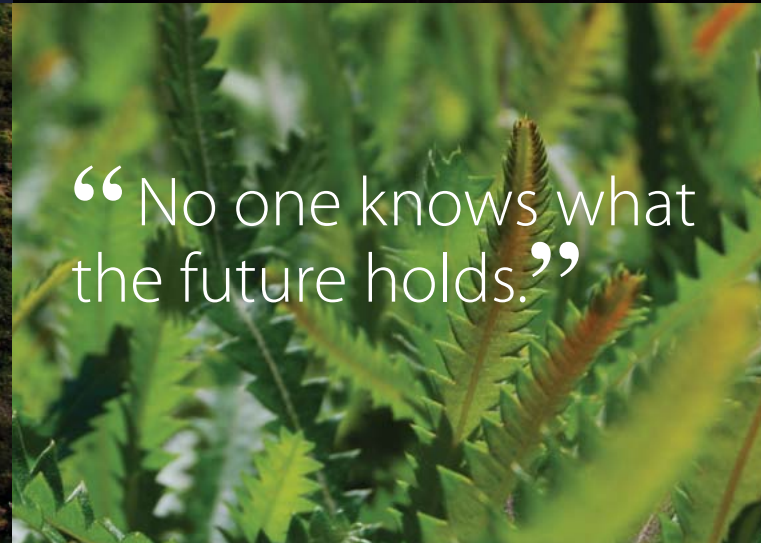
“At Point Lookout, the kids have something to do, they can surf. But those at Dunwich are bored.”



“The kids can't just go to see a movie.”



“I feel the Government is trying to close the Island down.”



“No one knows what the future holds.”



“Tourism will not support the community as much as mining does.”

What residents like and dislike about community life (cont.)

Negative aspects of community life

In considering less favourable aspects of community life on NSI, residents pointed to inadequate opportunities for young people, the need for improved access to secondary and tertiary education and improved community services and facilities for older indigenous and non-indigenous people. At times, the townships are seen to 'struggle to work together' due to some differences in profile, but this sense of separation between townships was not pronounced in discussions during the Forum. There were some shared concerns expressed about the rising cost of living and the potential negative impacts of more tourism on island life. Some Forum attendees felt there had been a lack of genuine consultation by local and state governments about these issues to date.

At the Forum, many expressed the view that today's teenagers on NSI are bored and need additional leisure and recreational activities.

Currently, there is a lack of job opportunities outside of mining for young people who wish to stay on the Island. Some residents also commented that the local high school is not well resourced, which means many families feel compelled to send their children to secondary schools on the mainland.

Although some residents felt NSI's services and facilities are potentially quite good for an island community, most who attended the Forum saw a need to further expand and improve community services. In particular, there was a strong view that health facilities and services must be extended to meet the future needs of the Island's population. Inadequate support for retirement and aged-care is becoming a focal area of community concern. Residents who have experienced chronic illnesses have found living on the Island to be extremely difficult when long-term treatment is required. The journey to and from the mainland (which can be a daily occurrence over a long period) is not only arduous, but expensive for these residents.

A number of residents expressed some dissatisfaction with the State Government's decision to change the plans for the Island. Many expressed concerns about the government not listening to the community and the lack of certainty for what will transpire for the NSI community once mining is phased out. There was a genuine fear for the community's ability to survive with an economic future based solely on tourism. Some felt that the State Government and the Redlands City

Council did not have a clear vision for NSI and proposed changes to the Island were disrupting the community. There was also a general feeling that both levels of government are currently not consulting effectively and do not have the community's best interests at heart in considering the future of the Island. A small number suggested that too much emphasis is being placed on the views of specific individuals and interest groups rather than the majority of residents.

The increased cost of living on the Island, particularly transport and fuel costs and housing affordability, was identified as a broad area of concern. Many thought that NSI could become over-developed through tourism and that the wrong types of tourism could have detrimental effects on the Island's pristine environment and lifestyle. Not all tourists were seen to be problematic, but there was some negativity towards tourists who show little respect (for example driving on the beach at high tide, littering the shoreline and endangering wildlife). There was also some concern about the number of vehicles driving on the Island in peak tourism season. Some favoured a future cap on vehicle numbers and greater promotion of cycling and walking experiences.

The community's own vision for North Stradbroke Island

A key aspect of the Straddie Community Forum was a facilitated discussion about the Island's future. Residents were asked to imagine it was the year 2050 and describe in their own words the kind of community they would like to see, feel and experience on NSI. These group discussions were highly engaging and energetic. Residents entered into the spirit of the exercise with a great deal of passion and interest and many ideas emerged from the brainstorming session at each table. In general, residents expressed a great deal of enthusiasm for what the future could be on NSI and all were committed to working in a highly cooperative way to see their ideas come to fruition.

The community vision for NSI described by residents is graphically summarised in this section of the report. A range of interconnecting ideas emerged with key aspects of the

vision being: a vibrant and cohesive island community, diverse employment opportunities, improved health and aged care, integrated educational facilities, enhanced transport and infrastructure and a well-managed and protected island environment. However, the key theme that continually linked residents' ideas for the future vision for NSI was the long-term sustainability of the local population, its heritage (indigenous and non-indigenous) and the natural environment.

A clear priority for residents at the Forum was building a sustainable Straddie and a viable lifestyle for future generations. In general, residents were positive that there is a pathway forward if a sustainable balance is created between the environment, community needs and continued business and industry growth.

Enhanced transport and infrastructure

- Regular, affordable transport to and from the mainland
- Bikeways, walking tracks and footpaths plus road access to national parks for the benefit of the community and visitors
- More creative packages and approaches to increase visitation throughout the year.

Improved health and aged care

- Increased investment in Moopi Moopi (extra rooms)
- Further expansion of aged care facilities on the Island
- Continued support for vital health and emergency service facilities.

Integrated education facilities

- University campus and specialist education centres as part of a successful education focus
- Research centres attracting intra-state, inter-state and international visitors
- Education programs linked to employment opportunities and long-term economic growth.

Residents' 2050 Vision for a Sustainable Straddie Community

Diverse employment opportunities

- Sustainable employment opportunities for all ages based on support for local industries and small businesses
- Training and apprenticeship opportunities for young people
- Employment opportunities balanced across industries (mining and others).

A well-managed and protected environment

- Preservation of the natural environment to underpin lifestyle and community for future generations
- Continuation of world-class rehabilitation programs.

A cohesive and vibrant community

- Diverse, integrated, self-sufficient and supportive community
- Maintenance of a strong and unique island identity
- Unified communities and townships working together
- Affordable housing options across the Island
- Thriving community groups and facilities for all ages.



Resident feedback on Sibelco's community investments

During the Straddie Community Forum, residents were asked to provide feedback on Sibelco's current community investments on the Island. While all residents were aware that Sibelco provided financial and in-kind support to the community, many were surprised at the number and diversity of initiatives the company has funded. A typical comment was:

"I didn't realise there were so many things that Sibelco does for the community."

Long standing families and residents who attended the Forum reflected on the contributions made by other companies involved in mining on the Island in years gone by. Here, Sibelco was seen to have provided more support to the NSI community than any other mining company, and residents expressed their gratitude for the company's continued commitment. Some residents commented that there were few organisations (that they were aware of) that provided their local community with as much support as Sibelco.

Most who attended the Forum saw Sibelco to be a responsible corporate citizen with many residents applauding the company's community development program. Some felt that Sibelco needs to further promote its community investments on the Island to boost local insights on the diversity of projects and groups that the company supports. Apart from its more prominent sponsorships, residents also commented on the practical assistance Sibelco offers on a day-to-day basis to members of the community. An overriding concern was that this type of community investment would be substantially reduced if mining no longer occurred on the Island. Some felt it was highly unlikely that future enterprises would be able to sustain the level of community support Sibelco currently provides.

Feedback on Sibelco's current support for community initiatives was sought across six categories of investment and the following pages capture some of the key observations made by Forum attendees.

12 Residents' feedback on Sibelco's community investments (*cont.*)

Community

Many Forum attendees highlighted the scope and importance of Sibelco's commitment to supporting NSI's community initiatives over the past four decades. Some commented on the extensive funding Sibelco has provided to community infrastructure projects such as the One Mile pontoon and the indigenous cemetery. Attendees also expressed gratitude to the company for their support of the NSI Returned Services League, and the Easter Carnival which was identified as a successful event for the whole community.

Arts and culture

The arts and cultural initiatives supported by Sibelco were identified as extremely important to the Island, particularly the indigenous community. Residents specifically mentioned the Indigenous Language Dictionary and the refurbishment of the Salt Water Murriss-Quandamooka Art Gallery. Reference was also made to the Island Vibe Festival and its contribution to local cultural life.

Sport

Sport was recognised as an important part of the NSI community, particularly for younger residents. The Straddie Salute was identified as a great event that should continue in the future as it attracts visitors who might otherwise not visit the Island. Residents also referred to the Straddie Sharks Allsports Club as an important community asset.

Education

Residents with young children identified the Stradbroke Early Learning Centre refurbishment project as a key community initiative funded by Sibelco. The Triple A Program, encouraging school children to attend school, achieve academically, and have a positive learning attitude, was noted as another outstanding initiative that is supported by Sibelco. Some residents also commented on Sibelco's commitment to apprenticeships and training, as well as a school camping trip enjoyed by the Island's young people.

Health and safety

Health and safety was seen to be one of the most important arenas for Sibelco's community investment. Most residents who attended the Forum were aware of Sibelco's support for the Volunteer Marine Rescue (VMR) and commented that this was a vital service, which at times, directly involved Sibelco's own employees in rescue initiatives. Sibelco's provision of equipment and funding for fire services on NSI was seen to be invaluable with many employees also directly involved in delivering this service. Concerns were also raised about the future of the fire service if this support was no longer available.

In the health care arena, residents highlighted Sibelco's support for mental health programs and the Nareeba Moopi Moopi Pa Aged Care Facility (Moopi Moopi). Some Forum attendees recalled that Sibelco had bought the first X-ray machine and defibrillator for the Island, which over time has saved many lives.

Environment

The majority of residents at the Forum believed that Sibelco's land rehabilitation efforts on NSI are world-class. The company was described as an expert in rehabilitation with attendees highlighting the success of the tree planting program that has led to the planting of 120,000 trees each year. Sibelco's support for conservation programs was also noted and some felt that these programs had increased the Island's koala and kangaroo populations. There was widespread acknowledgement of the environmental research projects supported by Sibelco, many of which are conducted in partnership with leading universities and other organisations throughout Australia.



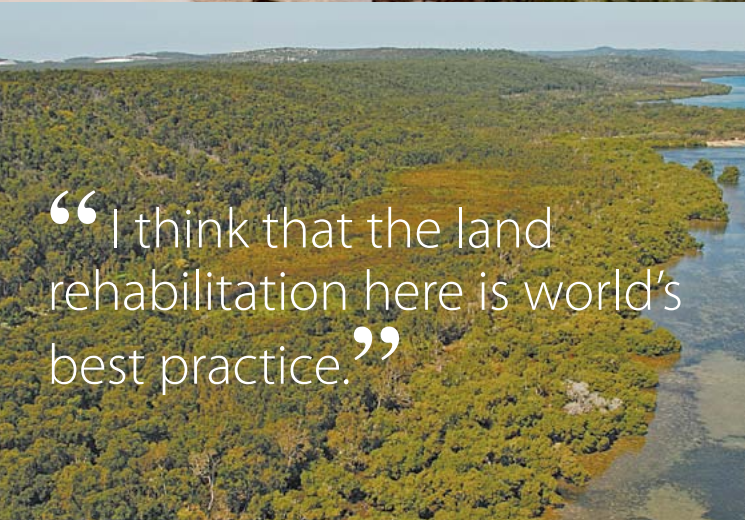
“It’s great having someone you can go to for assistance, not just financial.”

Sub # 017
“If we need something, even like in the mapping area, they’re there. They’re marvellous!”



“We all owe a debt to Sibelco, every time there’s a fire they’re out there helping.”

“It makes you realise how much the Island is going to lose if they go.”



“I think that the land rehabilitation here is world’s best practice.”

“The company is a very responsible corporate citizen.”



Ideas for future community investments

An important aim of the Straddie Community Forum was not only to gain feedback and insights from local people about the future that they would like to see for the island community, but to establish some clear priorities for Sibelco to consider in shaping its framework for future community support.

To achieve this central aim, all attendees were asked to vote on what they saw to be the top priorities for action in shaping their shared community vision for the Island. Based on the voting process that occurred at the end of the Forum, this report presents the top 10 initiatives or areas for action that were identified. These are graphically presented on the following page. The number on each initiative shows its ranking from one to 10 based on an analysis of voting sheets completed by residents.

Creating further educational facilities, potentially an integrated campus, gained the most votes among Forum attendees. Education was a popular theme with much discussion occurring around the need to improve current high school education facilities and if possible, attract TAFE and university

facilities (e.g. a specialised university campus and/or expanded research and training centres) that would generate long-term employment options and sustainable economic growth. Alongside apprenticeship and training schemes, there was a clear interest in education programs to create long-term employment options for the NSI community.

Building bikeways, paths and walkways scored the second highest number of votes. Throughout the Forum, the need for bikeways and footpaths was mentioned in a number of different contexts to meet the infrastructure needs of the local community. Cycling was considered to be the ideal way for tourists to see the Island helping to both preserve NSI's unique environment and boost the local economy. Notably, improved infrastructure for tourism was seen to also require further investment in roads and improved access to the Island's national parks.

Top 10 ideas for future initiatives Sibelco could support



The number on each initiative shows its ranking from one to 10 based on an analysis of voting sheets completed by residents.



Ideas for future community investments (*cont.*)

Health and agedcare initiatives were given a very high priority by residents with much discussion focused on the need to expand the Nareeba Moopi Moopi Pa Aged Care Facility and plan further retirement facilities. A community facility to provide additional activities and opportunities for young people was seen to be an important area for future investment to occupy young adults. Developing more affordable housing was identified as another important social need with high rentals and a dominance of holiday housing limiting the permanent accommodation available for young families.

In the environmental domain, exploring renewable energy options for the Island and developing a fauna/flora sanctuary were also cited among the top 10 initiatives.

Creating a strategic plan that reflects the views of all NSI communities was also suggested. This process would give the community the opportunity to review its vision and engage in a more extended consultation and planning process. Here, attendees thought Sibelco could help by establishing a framework to assist the community to create its own cohesive plan.

Importantly, the community's vision for the future of Straddie and the top 10 initiatives identified provide an initial set of ideas for Sibelco and residents to jointly consider. The Straddie Community Forum was an important first step in a longer journey requiring close collaboration between residents and Sibelco to shape future community investments.



Looking ahead

Overall, the Straddie Community Forum was a highly productive event generating valuable insights to the community's own vision for the future and ways that Sibelco can best support the community in planning and implementing that vision.

There was a genuine commitment from residents in all townships to work positively and productively to define the lifestyle, facilities and activities that are important.

Key elements of the community vision for 2050 were:

- Improved transport and infrastructure
- Additional aged-care and health facilities
- Sustainable employment opportunities for all age groups
- Long-term education and training options
- Preservation and rehabilitation of the natural environment
- The creation of a cohesive and vibrant community.

An over-arching priority for all attendees was long-term sustainability which was repeatedly emphasised during the afternoon's discussions. The idea of building a sustainable

Straddie was the key element linking residents' ideas for the future of NSI. This theme also came through very strongly in the voting on the top suite of community initiatives that residents would like Sibelco to support.

Sibelco would like to take the opportunity to thank all residents who participated in the Straddie Community Forum. This event has given the company a better appreciation of the type of community and lifestyle that residents want to see well into the future and the types of community investment that are most highly valued. Sibelco will now reflect on all of the comments, ideas, opinions and insights gathered on the day in refining its future community investment framework. A full list of ideas from the Forum is provided on the following page. Avenues for residents to continue to provide input to Sibelco's future decision-making about community support are being explored to ensure that the resident's own vision for the Island remains a key driver in these decisions. Sibelco looks forward to holding further discussions with the community about the future of NSI.



Summary of ideas from local community

Community development

- Sponsor a wild flower festival
- Develop a strategic plan for the Island
- Establish a 'unified' island voice
- Employ a community liaison officer
- Interactive notice boards in each township
- A community website
- Introduce high speed internet access
- More bowls events
- A women's centre
- Provide more affordable housing
- Youth life skills program
- Indigenous cultural experiences
- More cohesive town planning
- More events and festivals for a wide range of audiences
- An enhanced Oyster Festival
- Develop a writers festival
- An expanded arts and cultural centre
- An indigenous music and dancing festival
- Enhanced management of the Island Vibe Festival
- Continued funding of arts and craft markets
- Local history museum including a mining section and tour of mine site
- Increased funding for existing museum
- Establish a PCYC
- Build a drug rehabilitation centre

- Help the indigenous community to access parts of the Island
- Create a corporate sports day on the Island
- Fund a lifeguard for the swimming complex
- A visiting orchestra to play at the local school (building musical appreciation)
- Planetarium/star gazing facilities
- A cinema or open air movie theatre
- More opportunities for females to join sporting teams
- Enhanced female sports facilities (basketball, netball and dancing)
- Surfing school

Education

- Expand the current university facility
- Develop an integrated education facility or campus
- Specialist training centres
- Partnerships with other high schools
- Attract foreign exchange students
- Education programs – marine life, native wildlife, conservation, rehabilitation, indigenous culture
- A boarding school facility

Environmental management

- Wildlife sanctuary and animal hospital
- Educate tourists to take greater care with the environment

- An indigenous horticultural centre
- Eradication of foxes and cane toads
- Water quality initiatives
- Continued rehabilitation and forest regeneration efforts
- Cultivation and sale of native produce
- Weed control
- Sustainable forestry/timber plantations
- Educate pet owners about dangers to native animals
- Fire research management station
- Bushfire research academy/facility

Employment

- Encourage apprenticeships and traineeships
- A broad-based skills and trade focused training centre
- Increased support for local business e.g. mentoring programs
- More incentives for Sibelco staff to live on the Island permanently
- Start-up grants for small businesses

Health and aged care

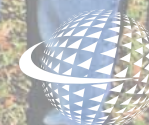
- Upgraded health facilities – specialist services, X-ray, ultra sound, dental
- More financial assistance to expand Moopi Moopi
- A new aged care or retirement facility

Transport and infrastructure

- A Kuranda 'Sky-Rail' type cable car facility
- Board walks, dedicated walking tracks and safe bike paths
- Increased accessibility to the mainland
- A late night water taxi or ferry service
- More netball and basketball courts
- Build a large indoor sporting facility (squash courts, indoor competitions, fitness club)
- Upgraded swimming facilities
- Funded air-conditioning for the day care centre
- Upgraded facilities at the Footy Club / fund an extension
- Develop a well-planned information centre
- Upgraded parks
- Improved car parking area near the water taxi
- Support for an air sea rescue operation on the Island
- Develop a disaster management plan
- Introduce and vehicle cap
- Upgrade the golf course

straddie
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Securing Straddie's Future



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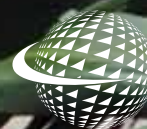
Straddie 2012 Survey of Community Viewpoints

Report to the North Stradbroke Island Community

December 2012

straddie
community forum

Securing Straddie's Future



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Introduction

Sand mining has a long history on North Stradbroke Island (NSI).

As the sand mining operator, Sibelco Australia's (Sibelco) commitment and contribution to the NSI community extends far beyond its role as the largest employer on the Island.

Over the past 10 years, Sibelco has contributed more than \$1 million to supporting community events, social and sporting groups, and tourism events on the Island.

Ever since sand mining first began 45 years ago, Sibelco has been investing in important social infrastructure on the Island, alongside providing strong and stable employment opportunities. From funding the One Mile pontoon, to supporting the Early Learning Centre, and sponsoring the Straddie Salute Ocean Swim 1000 event, enhancing the community's quality of life has always been a central responsibility for Sibelco.

Understanding how Sibelco can continue to contribute to the Island community in a meaningful way is essential, and we are continually looking for ways to engage. We're committed to putting the time and the energy into fostering a healthy, long-term relationship with our Island community.

One of the ways we are doing this is through the establishment of the Straddie Sand Mining Community Fund – the largest community investment ever made in the history of the Bay Islands.

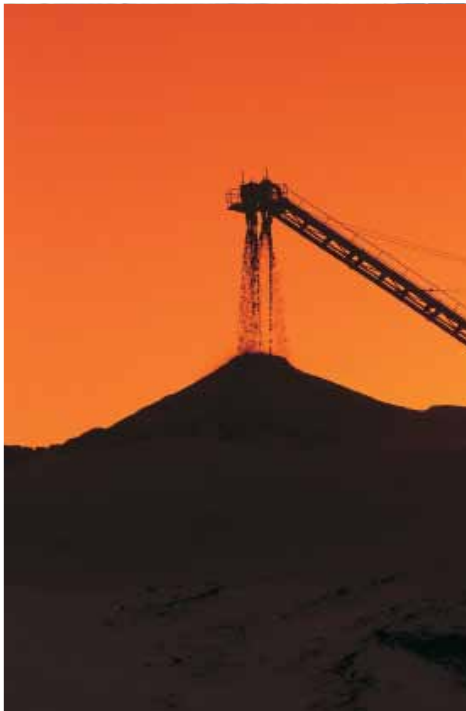
In 2011, when the Bligh State Government announced future plans for the Island – without public consultation, the long-term outlook for the Island dramatically changed.

As a result, Sibelco commenced a community engagement program that focused on finding out what the community wanted for their future and for their Island.

Outcomes from the 2011 community engagement program indicated that a significant portion of the community – 84 per cent of all Island residents – strongly supported sand mining continuing until at least 2027.

2012 brought with it a new government with promises to develop a social and economic balance that will guarantee the prosperity of the Island community for years to come.

The 2012 community engagement program seeks to understand more about what the community desires for the Island's future, how Sibelco can continue to support the community in a sustainable and viable manner, and how we can best work with the community now and into the future.



About the survey

On 19 September 2012, the Straddie 2012 Survey of Community Viewpoints was released online and in hard copy, and two weeks later, the survey was also conducted at random via telephone. The 10-minute survey was designed to obtain an up-to-date snapshot of the community's views about the future of the Island. Results from the survey will also be used to help Sibelco in their ongoing liaison with the Queensland Government, and to shape public policy about the future of the Island for the benefit of the Island community.

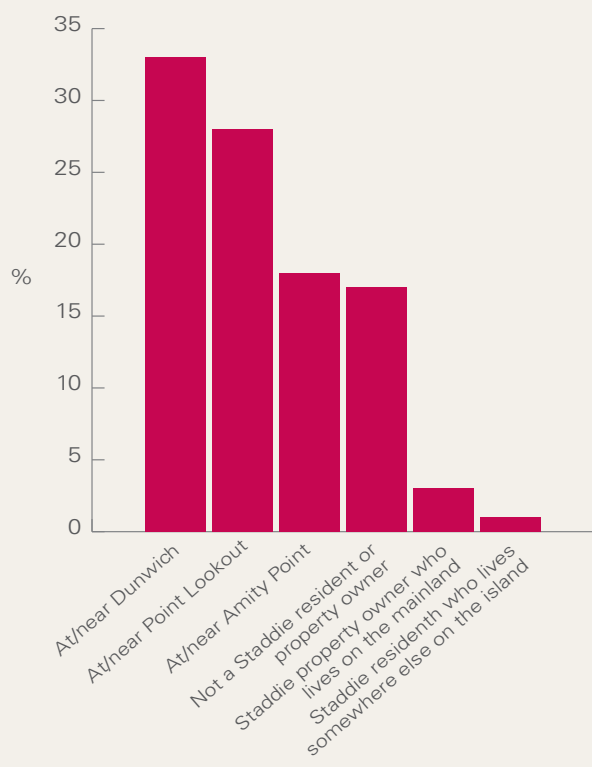
Over a month-long period, 299 Island residents responded to the survey, either online, via phone or in hard copy. Nearly three quarters of all respondents were 46 years or older and resided in one of the three established communities on the Island (Dunwich, Amity Point or Point Lookout).

There was a balanced gender response with a 51% to 49% female to male split.

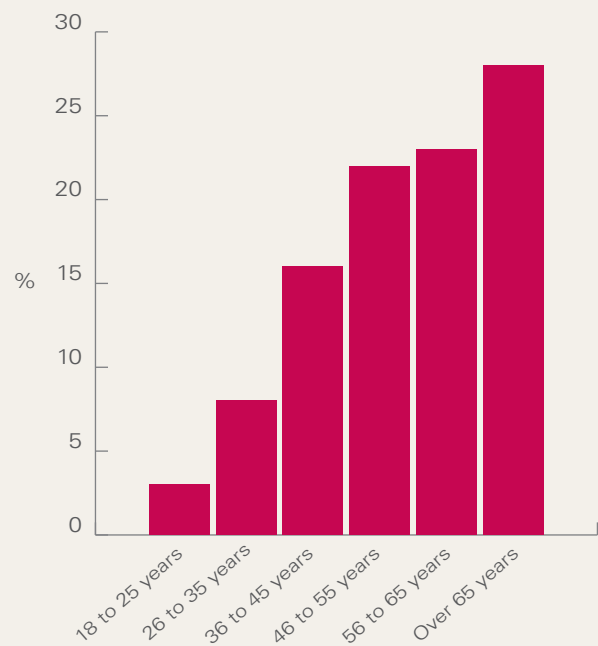
While the survey sought to primarily capture the viewpoints of the NSI community, more than 20% of all respondents were from the mainland, suggesting the future of the Island is important to more than just the Island's residents.

Overall, the NSI community was very receptive to the survey, and were happy to be included in Sibelco's 2012 community engagement program.

Respondent Location



Respondent Age





Community viewpoints

Community's overall vision for the Island

Community respondents were asked to provide their thoughts and ideas on the economic, environmental and social conditions on the Island, and whether they thought a continuation of mining would help or hinder the continued improvement of these conditions on the Island.

There was overwhelming support from the community for mining to continue on the Island, and many viewed mining as the primary contributor to social and economic prosperity on the Island, now and into the future.

Respondents unanimously wanted to see a vibrant and sustainable future for the Island, however there was uncertainty as to how this would be achieved.

Economically, more employment opportunities for the Island, combined with further training and education for the youth were rated as essential components for securing a positive future for Island residents.

Most individuals felt that additional support from a third party would be essential for the Island to achieve this, with Sibelco identified as the organisation best placed and most reliable to provide this support.

While mining plays a significant role on the Island today, respondents acknowledged that over the long-term and into the future, eventually it will no longer have a place on NSI.

It was also evident there was some serious concern about how the Island would continue to survive once sand mining activities ceased, and the community did not feel there was much in the way of a substitute industry or employer able to provide the current levels of support offered by Sibelco.



What does an extension to sand mining mean for Straddie?

Economic outlook

Community respondents were asked to share their thoughts about an extension to sand mining, and what this extension would mean for the economic future of the Island.

Conceptually, the community agreed that allowing mining to continue would provide much needed time and opportunities to identify and create more economic diversity on the Island.

It is evident within the community there is a lack of confidence that the tourism industry can become the backbone of the Island community, however most support it as an option, together with other employment opportunities that need to be considered.

There is support for the extension of mining to bring in more royalty benefits to the Island, however the Island community is also keen to see an increase in financial support from the private sector for community development programs. The community strongly agreed that creating more jobs for those who live on the Island is one of the greatest benefits to be gained by an extension to the current mining operations on the Island.

Environmental protection of the Island

Community respondents raised a number of environmental protection opportunities that could be explored in the case where an extension to mining on the Island is granted, including better beach management, improved rehabilitation for sites across the island, and showcasing the environmental protection practices in such a way so as to encourage more tourism activities on the Island.

While overall, community trust Sibelco will proactively manage the protection of the environment, nearly 20% of all respondents felt that there would not be increased protection for flora, fauna or wetlands on the Island.

Despite many agreeing that making more land available for public access is a viable option for opening up the Island for more tourism opportunities, less than half of respondents believe this will occur, should mining continue on the Island.

The rehabilitation practices undertaken by Sibelco were widely recognised among community members, as was a recognition for Sibelco to build on its current practices to increase environmental protection standards across the area.



What should the Straddie Sand Mining Community Fund invest in?

What future programs and initiatives are important to the Community?

Securing long-term employment opportunities for the youth, and improved health services for the current population ranked as the most important investments for the Straddie Sand Mining Community Fund.

Specifically, the top five initiatives identified as extremely to moderately important for the Island are:

- New apprenticeships or training schemes
- New services and/or facilities for youth and teenage children
- Improved educational and training facilities
- Improved aged care services and facilities for the aged
- Improved emergency services.

The community also want to see the Fund focus its investments into improved infrastructure across the Island, including the creation of more bikeways and pathways, establishment of youth activity centres and funding for Moopi and related improvements.

There is less expectation on the Fund to supply the Island with housing, or investing in alternative energy on the Island.



Sub # 017



Comparing what the community like and dislike about Island life – one year on

The 2012 Survey of Community Viewpoints sought to understand more about what the community desire for the Island's future, how Sibelco can continue to support the community in a sustainable and viable manner, and how they can best work with the community now and into the future.

Understanding what has changed over the past year will help Sibelco continue to support the community in ways that are relevant and in tune with the community's needs at that time.

Without doubt, the community is still ultimately concerned with building a sustainable Straddie and a viable lifestyle for future generations. The key theme linking community ideas about the future vision of the NSI was the long-term sustainability of the local population, its heritage (indigenous and non-indigenous) and the natural environment.

From responses in 2012, it is clear there is some concern about current employment options on the Island, and there is a desire to see more opportunities for training, and re-skilling made available to the Island community. Ensuring there are viable employment opportunities for the youth was still ranked as one of the most important priorities for the Island community.

Similar to 2011, respondents still feel the Island community is much like an extended family and this is what the community value most about the island. Protecting the close-knit community and its members was a key theme throughout the survey responses.

Protecting the unspoilt beauty of the environment on the Island was also another central theme across survey responses. While there were numerous suggestions made on how this could be achieved, protecting the environment is undoubtedly a high priority for the community.

Notwithstanding some recent events on the Island, NSI is regarded as a safe place to live and a perfect location to raise a family, and many felt relationships are strengthened on the Island due to the closeness of the community.

Some opposition to sand mining continuing past the current closing dates still exists in the community.

Shifting views

The survey identified an emerging trend regarding the community's view about the future of the Island community.

In contrast to last year, where respondents were overwhelmingly positive about the future of the Island, there is more uncertainty about how a sustainable future for the Island could be achieved without ongoing support from Sibelco. Specifically, the community felt more time is required (than what was announced by the Bligh Government) to adequately develop employment opportunities and viable industries on the Island outside of mining.

Most notably, there does appear to be a downward shift in confidence that the tourism industry will be able to provide the perceived economic and social support the community needs to survive long into the future. There is also a noticeable shift downward in confidence amongst the community in their ability to survive without the presence of Sibelco on the Island, and an increased reliance on Sibelco to take responsibility for securing employment and a viable lifestyle for the community.

Improving services for the community, particularly for the ageing population on the Island, also ranked higher than last year among survey respondents.



Looking ahead

Sibelco is committed to delivering initiatives and events that support the NSI community, now and into the future.

The 2012 Survey of Community Viewpoints has helped Sibelco to identify key issues within the community and has identified opportunities for us to partner with the community on, into the future.

The community remain committed to securing a viable future for the Island, particularly for its youth, despite an increased uncertainty around how this future can be achieved. This commitment to building a sustainable Straddie was the key element across all survey responses.

With this in mind, Sibelco will continue to work with Island residents to further empower the community to proactively seek out employment opportunities that will sustain themselves and their children well into the future.

Sibelco is also committed to continuing our engagement with the Queensland Government to ensure a clear economic and social direction for the Island is identified. Ultimately, it is envisaged the Queensland Government will deliver an outcome that unequivocally delivers a secure future to the NSI community.

words shared by the community

benefit support

stradbroke

local **company**

employment **better**

community facilities

future

island environment

services people

Sibelco mining

more straddie

think

sand very

tourism good

