

Thursday, February 25, 2016

Contact: Nick Stump

Research Director
Infrastructure, Planning and Natural Resources Committee
Parliament House
George Street
Brisbane Qld 4000

By email - ipnrc@parliament.qld.gov.au

Dear Chair Jim Pearce MP and Committee members,

Successive State Governments have created unnecessary and complicated legislation to deal with simple issues such as who should mine bauxite on RA315.

Aurukun Bauxite Development Pty Ltd (**ABD**), and its parent company Australian Indigenous Resources Pty Ltd (**AIR**), submits that their joint-venture with the Native Title Holder's representative body Ngan Aak-Kunch Aboriginal Corporation (**NAK**) presents a break-through proposal in creating a sustainable part-indigenous owned company to mine and market RA315's bauxite deposits.

The ABD/NAK joint-venture is an innovative but economically viable, and desirable model, for developing mining on Native Title lands. In terms of benefits flowing to the Indigenous community, it sets a new benchmark capable of having a real and positive impact in 'Closing the Gap'.

The ABD/NAK joint-venture is 'shovel-ready' to develop this opportunity in Cape York. ABD and NAK have a registered ILUA and CHEMEP covering both the MDL and ML phases. ABD has a highly skilled executive team, supported by Thiess Pty (Australia's largest mining contractor). Private Equity funding of AU\$80 million for phase one of the project is in place.

In 1975 the Bjelke-Petersen Government signed away the Land Rights of the Wik and Wik Waya People (near Aurukun), against their wishes, to Pechiney. Not a tonne was mined in the 28 years they Pechiney held the lease, until the Beattie Government resumed the lease in 2004. However, his Government saw untold riches which have so far been elusive and created an International Tender process which was subsequently awarded to Chalco.

To facilitate Chalco, the then Minister of State Development Mr Henry Palaszczuk introduced legislation (coined as the 'Aurukun Provision') in 2006 that removed the rights of the Native Title Holders and community to object to the Government's decisions over the Aurukun Bauxite Project, or request any form of judicial review. Despite the Wik and Wik Waya People being granted Native Title Rights in 2004, their voice in the future of this mine was silenced. We wish to

remind the Committee that the Wik and Wik Waya People were at the forefront of the Land Rights struggle with the historic *Wik Case* decided by the High Court in 1996.

Instead the Queensland Government is choosing to ignore such Rights and rely on the Aurukun Provisions that did more than just suspend the Wik People's rights, it took away rights that are available to every other person in Queensland.

Justifiably, the Wik People have had to once again go to the High Court to argue their case, and the amendments to the Act before you are an attempt by this Government to short change the Native Title Holders by attempting to fix part but by no means all that has occurred in depriving the Wik People of justice.

ABD believes that the whole Bid Process leading to the selection of Preferred Proponent, and subsequent signing of an Aurukun Agreement, was seriously flawed. ABD believes that the Government Evaluation Committee was in error on almost every criterion in assessing our company, and was not equipped to assess the innovative concept proposed by ABD. The re-activated 24-hour Bid Process (28th August 2014) was also flawed in that due process was not followed.

Instead of embracing the ABD/NAK joint-venture proposal, the Newman and Palaszczuk Governments have continually introduced road-blocks to prevent this from occurring.

Glencore's proposal was non-conforming in that they did not meet the No.1 Condition being that of providing a Minimum Benefits Package to the Native Title Holders, via NAK, and to the Shire Council of Aurukun. How they were awarded the prize without completing the exam is bewildering. The other piece to this mystery is that to obtain exclusivity they had to complete an Aurukun Development Agreement with the State Government. This agreement is so secret that if they did propose some benefits to NAK, even at the last minute, nobody will divulge what it is – not even to NAK. The terms of the Aurukun Agreement required the Preferred Proponent to submit their Minimum Benefits Package, so that it was legally binding. NAK has only ever seen a draft on how they wish to proceed in negotiating a Benefits Package (in 2013). NAK has agreed to meet with Glencore on two occasions (in 2015 and 2016), but both times Glencore cancelled at the last minute.

The Wik People have been denied their Native Title Rights as well as not even being told what benefits – if any – will flow to their People and the wider community despite an Agreement being signed between the State Government and Glencore.

Minister A Lynham is now introducing a Bill to the House supposedly to restore the Wik People's Rights (on behalf of NAK). This Bill does not go far enough for the Wik Native Title Holders. If the Aurukun Provisions within the *Mineral Resources Act 1989* (Qld) is flawed, then so too are the decisions made under this Act.

Yours sincerely



Nick Stump
Chairman