



MINUTES OF THE WEIPA GOVERNANCE SUMMIT

Tuesday 28 July 2009

OPENING OF MEETING

The Meeting Commenced 8.30am

ATTENDANCE

See attached

WELCOME

Carrie Gay (WTA Chair) acknowledged the Traditional Owners and welcomed the Queensland Minister for Local Government, other Federal and State Members of Parliament, invited attendees and members of the public to this important Summit.

INTRODUCTION: Alex Pope (Facilitator)

Each participant introduced themselves and stated what they believed they could offer to the meeting. The day's agenda was reviewed and agreed to by all present.

GOAL

An agreed pathway to the future governance of Weipa

PRESENTATIONS

1) WTA

Elected WTA Members C Gay, P Miller, S Bousen, and P Graham

The Members spoke on the background, status, and future governance of Weipa [see attached documents / PowerPoint presentations].

There was some discussion on the proposed Code of Conduct for the WTA, including a clause that *'The WTA will not make or implement decisions which will affect RTA's financial and operational positions, commercial viability, policies or objectives.'*

It was noted that Land Tenure is a complex issue and needs to be explored at another meeting.

Disappointment was expressed at the lack of government representation from the Department of Employment Economic Development and Innovation (Queensland Mines and Energy).

2) RTA

General Manager RTA Weipa, Jo-Anne Scarini [see attached PowerPoint presentation]

It was agreed that the current model of governance is problematic and Weipa would be better with its own independent governance.

There was discussion about what happens to land once mining has been completed. The land that has been fully mined is currently in the centre of mining operations. Jo-Anne advised that when land is fully mined it is rehabilitated and handed back to the State Government who then re-allocate it in conjunction with the requirements of the WCCCA and Weipa Township Agreements. There has been some work done on the possibility of extending the town boundaries. This is a complex process and should be the subject of additional meetings.

Town assets are currently owned by RTA and could be separated from RTA operational assets (a value would need to be negotiated). RTA provides funds for roads maintenance, 1.5 staff members, and major capital investments (\$20million has been spent on sewer infrastructure in the last two years). At the moment there is no capital allocated to the town (due to the economic reality of the global business) apart from the completion of the sewer upgrade. Capital projects are allocated on an annual basis and works are prioritised as in any other council.

The money that is collected as rates is used to pay for the running of the community. The rates budget is not used for capital expenditure. RTA pays rates as do other property owners each year.

Peter Scott (Cook Shire Mayor) spoke on the normalization of mining towns. Mt Newman (mining town in WA) went through this process thirty years ago. There was a comprehensive audit up front and out of that came a determination of costs for the new shire. There was a partnership / sustainability agreement put in place including ongoing payments from the company to the shire in addition to the contribution of the State Government as part of normal government funding. In Weipa there needs to be a trade off as it is in RTA's interest to help maintain a sustainable town. He believed that we all need to work together as Weipa has lots of opportunities for expansion and development.

3) STATE GOVERNMENT

Member for Cook, Jason O'Brien

Jason stated that we need to talk more about land tenure despite the fact that it is complicated. The traditional owners must consent to the use of their land as per the normal agreed process. He stated that we all want RTA to be a successful business, however the future of the town is changing and people in the town are not just RTA employees any more.

There is no 'right' as such in Queensland to have a local authority. They are 'creatures of the state' who draw their power from the State Governments. It's time to plan for the future but the principle of decision making must be democratic as this is a fundamental principle. We are Australians and we decide what happens here in Weipa.

Jason asked: At what pace and at what price will RTA relinquish power? Today we have made a great leap forward by hearing RTA say that the current status quo is not sustainable. The 'status quo' has been taken off the table as an option. We are setting ourselves up for change and change can be the hardest thing to achieve, he added. The amalgamation of councils is a very difficult thing and people are resistant to change. Today we have made the decision that there will be change, he said. Local Councils manage the funds and the assets over time. We must look at how these assets can be relinquished back to the community. It should be the community that drives these decisions.

He saw the following three options remaining on the table: stand alone, amalgamate with the Cook Shire, and amalgamate with one or more indigenous councils. We should decide today what path we are heading down. With good faith, with the community and RTA working together, it is achievable.

The Local Government Reform Commission recommends that the State Government normalise Weipa. They should begin the process of negotiations with RTA for normalization of the Weipa community. It is the State Government's policy to implement the recommendations of this Report with all recommendations completed except the normalization of Weipa. Jo-Anne Scarini advised that there have been no discussions between RTA and Government.

Michael Kinnane advised that the Department of Economic Development is responsible for the implementation of the Comalco Act. He indicated that he represented the interdepartmental committee that has been established to investigate the normalization of Weipa. The committee has only met a couple of times.

Michael made a commitment to move the process along. The information from this Summit will be fed to the committee. Up until now the amalgamation of other councils has been the focus of the Department. The WTA requested that they be kept informed of the committee's progress and Michael agreed to provide this.

4) FEDERAL GOVERNMENT

Member for Leichhardt, Jim Turnour

Jim stated that he was representing Anthony Albanese (Minister for Infrastructure, Transport, Regional Development and Local Government). Jim has a long association with Weipa from the early 1980s and is committed to supporting what the local community wants to do. The WTA Members want a transition to local government, RTA is supportive, and the Traditional Owners must be consulted, he said.

Weipa is the hub of the Cape, a regional centre. The Federal Government is very supportive through funding a child care centre, various projects at the school, and a new hospital. There are also a range of government services in town. Other stakeholders he believes included tourism, other mining companies, and other people wanting to do business in town. There is a clear need for an independent local authority, he said.

The Federal Government has made a commitment to have local government recognised in the constitution. It is very much a State Government responsibility at the moment.

Weipa residents pay their personal taxes but are missing out on the opportunities to access grants. Jim advised that, as the WTA is established under the Comalco Agreement and is not recognised by the State Government as a local authority, the Federal Government cannot recognise it for funding purposes. The Federal Government can only recognise Weipa under the advice of the State Minister for Local Government. As a result the town has missed out on the stimulus payments, local government infrastructure funds, and ongoing recurrent funding. Being financially sustainable as a local government is not an easy thing to do.

The ATO considers the WTA to be part of RTA (a public company) so GST is levied. On the other hand RTA gets a diesel fuel subsidy for the supply of power to the community. There are both upsides and downsides. Tabled question: 'Could the government give back the GST as a good will gesture and provide support in other areas?' Jim's response: 'The best solution is to make Weipa a normal local authority.'

What we need is a clear roadmap forward. Jim will talk to Anthony Albanese about the process and will continue to assist the community as far as he is able with federal funding. RTA and the State must work through the issues for Weipa. The Federal Government

cannot recognise Weipa unless the State Government does. The best solution, he stated, is to make Weipa a normal local authority. At the moment RTA is subsidising the community. The Federal Government should be dealing with elected local government representatives rather than a mining company.

Being financially sustainable as a local government is not an easy thing to do. The Federal Government is focused on assisting Local Governments to manage their assets better and is committed to continue to work with today's outcome. The WTA Members and community are all aware that there are issues with sustainability. This is a common issue for local communities.

5) MINISTER FOR LOCAL GOVERNMENT, Desley Boyle

The Minister thanked the WTA for strongly encouraging her to attend the Summit meeting. State Government is committed to the normalization of Weipa and this is an agenda item for the inter-departmental committee which the Minister advised requires 'more energy and effort'. Both Jason and her are committed to this process, she said.

The State's concerns will be: land (ownership / control / use / planning for future use / township land / land to be released from RTA to State Government / town boundaries); and, money (who will pay for the infrastructure / need to do an audit of infrastructure values / what will RTA want to be paid).

Small Communities are not sustainable and Weipa won't get support for stand alone interdependence, the Minister said. There needs to be serious discussions with the local government neighbours (Cook and indigenous shires). Under the Local Government Act the possibility is there for joint arrangements as well as amalgamations.

The motivation for change needs to come from Weipa and not from Brisbane, the Minister said. Bureaucrats shouldn't make the decisions; the decision making needs to come from the Weipa community. The WTA can 'maintain the rage' for a year or two, but the push for normalization needs to come from the people in the community.

The WTA needs to go to the government with solutions. She stated that a request can be made to the government to support this process with resources. Being controlled by a company is much easier than making your own decisions, she added.

Today's formal outcomes need to be specific suggestions on what is to happen next. Support is available but the process must be driven by the community. To get on the State agenda you need to make noise. Weipa is important to all the Ministers: Environment, Natural Resources, Mines, Education, Health, and Planning & Infrastructure she added. The community must show the politicians what's in it for them; approach the Ministers with 'have we got a deal for you'. Jason's voice alone won't do it.

The 2012 Elections are a good milestone (2.5 yrs) to keep in mind as a target timeline.

By using community based not-for-profit organisations, the Minister concluded, funding can be sought from Sports & Rec funding, Communities Funding and Gambling Funds.

PUBLIC QUESTIONS AND RESPONSES

A series of questions were submitted in writing from the public and the specific responses are as follows:

Peter Miller

- 1) *How much will rates go up under local government?* This will be determined by the elected councillors at the time.
- 2) *What are the WTA income streams and expense commitments?* This information is all available on the WTA Website.

Peter Graham

- 3) *Given that on the pamphlet handed out to the public it states "RTA gives WTA \$10-15 million annually", why on earth would WTA want to cut this umbilical cord?* The community and RTA must move forward together. The WTA would like to see RTA funding increased. RTA will always be a large partner in the town and should contribute toward the town costs.
- 4) *What are the costs attached to the change to the proposed models?* This is unknown at this stage.

Carrie Gay

- 5) *What are the impacts on the town if WTA is absorbed into a 'super council' for the Cape (ie Mapoon / Napranum / Aurukun / Cook)?* This model has not been discussed to date.
- 6) *Why does the WTA pay, using rate payer funds, the salaries of RTA employees?* This is not a satisfactory situation as it can put the senior staff in an untenable situation as they effectively have two bosses.
- 7) *Why does WTA pay, using rate payer funds, to maintain Malaruch land and buildings (eg Hibberd Centre, Gym, Pebbles, Pottery Shop, Rocky Point Park)?* This is part of the Weipa Town Agreement. The WTA was not involved in the development of this agreement.

Jo-Anne Scarini

- 8) *Why does Rio Tinto want to govern a town?* They don't.
- 9) *Why should the rate payers of Weipa pay rates for the maintenance of town infrastructure when it is owned by the Company? Why shouldn't they pay for community infrastructure?*
- 10) *What is the hold up in proceeding to town normalization?* It is a complex issue.
- 11) *Why does one company (Rio Tinto Alcan) dictate property market values through the following: Private and commercial land availability and accessibility, town boundary limits, release of housing for sale?* It doesn't. Sale prices are determined by supply and demand. When RTA sells houses they do so below market rates. Land is sold at cost.
- 12) *I believe Rio Tinto do the hiring of Town Office Staff. Why doesn't WTA have the autonomy to do this themselves? Why are there so few workers to deliver the services expected of a Town Council?* The CEO makes decisions about who is hired. RTA decides how many staff. WTA can spend money on contractors and RTA engineers are made available.
- 13) *Should Rio Tinto/Government not proceed with town normalization, why are we persisting with the charade of a Weipa Town Authority which is costing rate payers money? If we do not proceed to normalization should Rio treat the town as a mutual*

recognized company unit and start upgrading the infrastructure? The current structure gives the town some independence. Processes are modelled on normal local government policies. WTA Members are paid as are other local government councillors. The current model gives the community some say in the running of the community.

- 14) *Why does WTA pay, using rate payer funds, to repair issues caused by RTA Projects, on RTA infrastructure in town?* Because the infrastructure is for the benefit of the community.
- 15) *If RTA spends \$10M-\$15M per year, in addition to the rate payer budget, on maintenance and upgrades of the town infrastructure and facilities why are they in such poor, extremely poor condition?* The town infrastructure is in the condition you would expect in a 40 year old community.
- 16) *What is the cost of purchasing the infrastructure from RTA Weipa? And what is considered Infrastructure?* This item is to be discussed and progressed today.
- 17) *What are the exit strategies of RTA Weipa in the event it ceases to exist, along with what exit strategies are in place by the WTA and community under that scenario?* RTA intends to continue as a viable business and be here for at least another 50 years. The company has an exit plan and it assumes that the town will continue independently of the mine.
- 18) *Being an RTA employee living in Weipa, I object to having my employer in my home and private business affairs. I also question whether I can trust that my private and confidential information which is kept on my property &/or business at Weipa Town Authority, is not accessed by RTA personnel, other than the WTA staff, because the files may be referred to as RTA property.* WTA files are not made available to non-WTA staff.
- 19) *Why are rate payers paying for the slashing, roads and toilet cleaning on the Ports Corp land at Evans Landing?* They are public facilities.

Jason O'Brien

- 20) *Why is the government increasing government departments in Weipa, a mining town controlled by Rio Tinto, when there are other shires run by local government where these departments could be set up eg. Napranum and Mapoon.* Weipa is the hub of the cape – services operate out of Weipa and service other areas.
- 21) *Why does Weipa receive no money from the stimulus package?* See above.
- 22) *We pay our taxes, when will we be considered normal?* That is why we are here today.
- 23) *Could we, the public, please have a written commitment, including a timeframe with specific milestones for progress reports and direction agreed upon, to the Weipa Community, signed by both RTA and Government that this process will occur.* Hope so, however we may not get there today as there are significant issues on the table including asset management and land use planning. This shouldn't take more than 12 months to sort out. Will be agitating for reform.
- 24) *Would like clarification around what role RTA Weipa would take in the hybrid model i.e. how close is the proposal to the current structure?* Do not support this model – it is the status quo and we need to move forward and find a better model.

Jim Turnour

- 25) *It is great that the school should have an indoor sports venue, but don't you think the money would be better spent on a complex for the Community with access for the school in school hours?* No apologies for funding the school. Community access is

required for the facilities as part of the funding agreement. Any other model would require a much longer planning period due to land tenure issues.

26) *Why does Weipa receive no money from the stimulus package?* See above. Ministers must stay within the legislative process.

27) *It is democratic that citizens of Weipa pay GST on their rates but receive no support for town infrastructure?* Discussed above. Ministers must stay within the legislative process.

AFTERNOON AGENDA

1. Positives / Negatives of the current system
2. Governance options for consideration
3. Actions to be undertaken

POSITIVES OF CURRENT GOVERNANCE SYSTEM

- Weipa Town Authority is backed by a multinational company with lots of resources
- Recognition of traditional ownership through formal agreements
- WTA shares responsibility with RTA
- Supported by RTA expertise
- Lots of RTA support (insurance / payroll / engineering / safety etc)
- Some flexibility and room for initiative as practices are not tied specifically to the Local Govt Act or other State Government legislation
- Not required to produce all the standard government reports
- The model gives town people some voice through elected representatives
- Bulk of the players are in Weipa
- New estates are paid for and developed by RTA and sold to the community at cost
- It has got us this far and built a fine town

NEGATIVES OF CURRENT SYSTEM

- Not recognised as a Local Government Authority and hence has no official status
- Confusion re town status
- No access to government funding
- Lack of forward planning
- Lack of consultation and planning between RTA and the Government
- Town boundary very restrictive
- New estate development controlled by RTA
- No access to rural land blocks
- Land release / purchase / sale controlled by RTA
- Capital program impacted by economic circumstances and the uncertainty of funding

- Under corporate legislation RTA has a responsibility to shareholders – conflict with community needs
- GST paid on the services component of the rates

OPTIONS DISCARDED

- Maintain Status Quo
 - not an option – the town needs a change and has outgrown the current model
- Hybrid Model potentially enabling access to both Government and RTA funding and through a written agreement
 - Conduit for funding
 - Will not solve land use and planning issues and is too similar to status quo
- Amalgamate with Indigenous Shire Councils
 - Not supported by Indigenous Shires: WCCCA spoke on behalf of Mapoon & Napranum Mayors; not supported by Napranum Mayor
 - different models of operation with the Shire Councils having separate issues under the Community Services Act
 - funding model and the income base is very different
 - land tenure complexities
 - alcohol management plan would cause confusion
 - impact on the various Agreements
 - the present system of governance in the indigenous shires is not working efficiently at the moment

OPTIONS STILL ON THE TABLE

- Stand Alone Local Council
 - supported by WTA Members
 - would have an Agreement with RTA but not the same level of resources and support
 - unlikely to be supported by State Government - unless its sustainability can be demonstrated
- Amalgamate with Cook
 - Doubling the population puts the shire in another category from a perspective of political punch
 - Economies of scale
 - Opportunity for more Fags grants if amalgamated
 - Mining operation / port / export royalties
 - Weipa could maintain a staffing presence as a western hub within the larger Council area
 - Expectation that RTA would support this option

- Cook Shire Council Mayor advised Council is not financially viable on its own and operates at a shortfall with top-up through grants eg. sport & rec / flood damage. His mandate from the council is to discuss options from the Summit and report back

GENERAL DISCUSSION

- With 75+ years of mining resources remaining, population growth is certain. A full audit of assets and liabilities is required resulting in identification of what needs to be done to bring Weipa to a level of a sustainable local government. This will include opening up more funding options to help close that gap. Some support from State government during this preliminary planning period would be necessary.
- Questions to be answered: Where are we going to be in 25 years (vision)? How do we get there? What will be the process for a phase out by RTA / phase in by the Government?
- Community assets need to be identified including what condition they are in and what income is drawn from these assets.
- It was suggested that RTA may continue to maintain some of the community assets. This may be an expectation by State Government.
- Any Agreement which included commitment and responsibilities would need to be attached to the lease not the company so there shouldn't be a problem for the community if the company changes hands.
- If someone buys a proportion of RTA, they buy a proportion of the obligation.
- The Interdepartmental Committee Charter doesn't make decisions on behalf of the community of Weipa; it assesses the state's interest in the normalization of Weipa which includes mines & energy, electrical reticulation and overall cost to the state.
- It will be necessary to develop a Memorandum of Understanding for all parties involved to enable them to have the confidence to share confidential information.
- Traditional owners of the mining lease country have temporarily signed their rights away to their land. When their land comes back from the mining company then it is the traditional owners who will have the say (WCCA Executive Officer).
- It is essential to engage the community to ensure they have adequate information on which to assess their position. They in turn will be able to motivate and lobby government.
- WTA will continue to be the driving body and will farm out issues as needed. This is a full-time role and will need to be resourced. It needs to be a full-time role to make things happen. The community will need to resource it (Jo-Anne has someone in mind that she could make available if it is acceptable to the WTA).
- Strategic plans already exist for the Chamber of Commerce, WTA and WCCA; they need to be taken into account in the compilation of any new strategic plan.
- WTA will take responsibility for developing the visioning component of the preliminary planning and this will be based on strong community consultation.
- Weipa will need to run on a user pays model for all the assets in the region. This is not currently the case e.g. RTA currently maintains the airport as a community service.
- In regard to any future land tenure negotiations, a council coming to the table will be in a better position than the WTA. Under the current system of governance the main players involved are the Traditional Owners, RTA, and the State Government.
- A land tenure report could be prepared by Michael (Cook Shire land tenure officer) & Sandy Nelson.

SUMMIT RECOMMENDATIONS AND ACTIONS

The primary recommendation is that WTA Members will have overarching responsibility for the implementation of these recommendations and undertaking the appropriate steps to initiate the planning process.

The planning including the financial audit study, the legislative steps to be undertaken and the development of a long-term vision will be undertaken in tandem with a timely consultation process targeting completion prior to the 2012 State Government elections.

The following specific action items were identified:

1. RTA to: identify costs of running the town in their accounts & conduct an infrastructure audit (will require two to three months to collate their data)
2. Queensland Treasury Corporation or the Local Government Infrastructure Services to conduct a full financial review as completed for all of Queensland Councils prior to amalgamation. The scope of QTC Financial Review to include:
 - financial viability of the council
 - long term financial planning (where will we be in 10 yrs time)
 - asset management
 - sources of income
 - community growth projections
3. Michael Kinnane to investigate potential State funding for QTC / LGIS to undertake the financial review.
4. The Inter-Departmental Working Group to investigate a legislative review of how the Agreements fit together including the Comalco Act, WCCCA, Native title Act and Township Agreement (RTA to be involved here), and land tenure.

SUMMARY

The Summit has listened to the major stakeholders and endeavoured to respond to concerns raised. Action items have been identified as a series of steps in the proposed transition process.

WTA will coordinate this process working with the other stakeholders and ensuring ongoing comprehensive community consultation.

CLOSURE OF MEETING

Carrie thanked everyone for their time and contribution to the successful outcomes from the Summit and the meeting closed at 4pm.