# TABLE OF CONTENTS

Context .................................................................................................................................................. 3
Current experience .................................................................................................................................. 4
  Overview .............................................................................................................................................. 4
  Case studies ......................................................................................................................................... 4
A Common Framework ............................................................................................................................ 8
  Flexible policy settings ....................................................................................................................... 8
  Refresh naming conventions ............................................................................................................... 9
  Consistent core structure ................................................................................................................... 9
  Continuous improvement ................................................................................................................... 9
  Updated guidance material ............................................................................................................... 11
  Induction for group members .......................................................................................................... 11
Next steps .............................................................................................................................................. 13
**Overview**

Environment Review Committees (ERCs) are stakeholder forums used by developers and operators of minerals and extractive projects (a project) in Victoria to engage with community representatives. ERCs were first introduced in Victoria during the 1980s.

In some cases, the establishment of a committee is mandated as a project licence condition in line with a licencee’s duty to consult under section 29 of the *Mineral Resources (Sustainable Development) Act 1990*. In others, an ERC or similar community reference group is voluntarily established by a proponent as part of community engagement.

The historic scope of an ERC has been to provide a mechanism for community representatives to directly engage with an operator and regulators regarding a project’s environmental performance.

Regulators, such as representatives from Earth Resources Regulation (ERR), the Environment Protection Authority (EPA) and the local Catchment Management Authorities (CMA), may participate in ERC meetings. Their role is usually to provide verification that a site is complying with relevant regulatory requirements, respond to community queries and discuss current or proposed approvals.

In some cases, the scope of individual ERCs has evolved to incorporate a broader range of topics. Where this has occurred, ERCs not only a forum for reviewing performance but used to seek feedback, develop ideas or share information about various aspects of a project.

Some ERCs benefit from active representative engagement and operate with strong local support. In other cases, the scope and effectiveness of particular ERCs has been questioned.

**Policy context**

In 2015, Earth Resources Policy and Programs commenced a formal review of ERCs. Earth Resources Policy and Programs is continuing to review policy options after undertaking an assessment of the current state of ERCs.

**Purpose of discussion paper**

The minerals industry understands the importance of maintaining its social licence to operate. A fit-for-purpose approach to community engagement, which may include an ERC, is important to maintaining this.

This discussion paper seeks to identify lessons for Victoria’s minerals industry by understanding the characteristics of ERCs that are working well.

Based on this assessment, a framework for modernising ERCs in Victoria is proposed. The proposed framework includes:

- Policy recommendations to inform the current ERC policy review
- Guiding principles to inform industry practice and continuous improvement
- Collaborative actions by industry, community and Earth Resources Policy and Programs to build local capability (in this context, increasing understanding of community roles and responsibilities in regards to minerals development)
- A standing advisory group to support continuous improvement.

The discussion paper will be circulated to key stakeholders to inform ongoing consideration of future options for ERCs.

It should be noted that this framework is intended to apply to the minerals industry only.
CURRENT EXPERIENCE

Overview
In recent years government and community appears to have been focused on ERCs considered to be experiencing periods of difficulty.

Less attention has been given to ERCs that over long periods have acted as a trusted forum for constructive dialogue between community representatives, regulators and companies. These forums provide important lessons about stakeholder committees in the Victorian context.

This section considers ERCs associated with Kirkland Lake’s Fosterville Gold Mine, Mandalay Resources’ Costerfield Operations and CGT Ballarat Gold Mine.

Case studies
Kirkland Lake Gold Fosterville Gold Mine, Bendigo
Victoria’s largest gold operation is Fosterville Gold Mine, which operated in its current form since 2005. Surrounded by native forest and agricultural properties, the underground mine is located about 20 minutes from Bendigo and employs approximately 450 people.

Fosterville has a proactive and community-focused approach to its stakeholder engagement program. The program includes individual engagement with adjoining landowners, a quarterly newsletter distributed to the wider local community, project bulletins, a Facebook page and annual open days. In 2016, Fosterville’s annual open day attracted approximately 500 people from across the region and included site tours, operational, environmental, community and rehabilitation displays and activities for children.

Fosterville also has an active ERC with three engaged community representatives, two of which are long standing (10+ years). These representatives maintain strong interest in the operation and are considered to reflect the community’s demographics.

Meetings are held quarterly, facilitated by an independent and respected chair chosen in consultation with the group’s community representatives. The community is aware of when ERC meetings are held, with agendas and reports sent out to community representatives well in advance and reminders added to Fosterville’s Facebook page.

Meetings usually start with a tour of the operation. The focus of tours varies depending on current operations, projects and agenda items. Some tours include viewing of land revegetation activities, new or proposed on-site projects or general site tours to see how the operation is evolving.

Over time, Fosterville has acted on feedback from community representatives, not just on operational matters but to protect heritage features important to community representatives. For example, gravel was added to enable a community representative to visit an old church site (which he visited as a child) and a historic building fenced off for protection.

Community representatives can freely add to the meeting agenda, which is developed by Fosterville in consultation with the chair. Discussion is open with the site’s Environment and Community Manager, General Manager and other staff in attendance to answer questions raised.

Representatives from Earth Resources Regulation and other regulatory agencies also attend meetings to answer questions about site environmental performance and approvals and compliance processes.

In 2017 Fosterville expanded its exploration program. As part of its stakeholder engagement strategy, relevant staff briefed and sought feedback from the ERC on its proposed activities. Their feedback was used to tailor the approach.

The ERC’s community representatives were invited to attend two town hall meetings held by Fosterville to update and answer questions from the broader community about the exploration program. This allowed attendees to engage directly with the ERC representatives, broadening their reach and demonstrating its ongoing role.
Mandalay Resources Costerfield Operations, Heathcote

Employing about 200 people, Costerfield Operations is Australia’s only antimony mine. In recent years Costerfield has invested significantly in rebuilding community confidence in the mine’s operation and approach to community engagement. Reform of its ERC has been an important part of this change.

In 2015 the former Minister for Energy and Resources commissioned an independent review to understand the causes of community concerns and ways to address them. These concerns appear to have been triggered by two operational changes at the mine.

While not all households had concerns, a notable portion of those surveys held significant or some concern about how matters were being handled.

The report made 18 recommendations regarding engagement practices, including specific recommendations relating to its ERC structure and operation. In regards to ERCs, it recommended more frequent meetings to provide additional opportunities for engagement and collaboration, appointment of a skilled chair, broadening its terms of reference and undertaking consultation with the broader community about key issues.¹

Costerfield acted on these findings, introducing a number of changes to community engagement approach. In addition to revitalising quarterly ERC meetings, a Community Reference Sub-Committee (sub-committee) reporting to the ERC was established.

The sub-committee meets monthly and focuses more on information-sharing, constructive discussion and, where appropriate, collaborative approaches to issues relating to Costerfield’s operations. While not the primary focus, the sub-committee may invite regulators and other stakeholders to attend and/or present to the group.

Sub-committee meeting minutes are shared with the ERC.

Sub-committee meetings are held at a time that supports active participation, and are usually concluded with a shared meal home-cooked by the mine’s community relations advisor. This supports further discussion in an informal setting.

Both the ERC and sub-committee are independently chaired. When appointing a new chair recently, a collaborative and inclusive process was used. It involved Costerfield identifying three potential candidates for the role with the final choice made by the sub-committee itself.

In 2017, Costerfield invested in leadership training for the sub-committee to help expand the group’s skills and support greater participation.

CGT Ballarat, Ballarat

Located in Ballarat, CGT Ballarat is an underground gold mine that has operated under the regional city since 1994. The ERC, which has been integral to the mine’s community engagement program for more than two decades, recently marked its ninetieth meeting.

Supported by a strong charter and terms of reference, CGT Ballarat’s ERC acts as an important conduit for sharing information about the mine’s operation with the local community.

Community representatives are selected to join the ERC based on their geographical location and connectivity to the local community. Importantly, stakeholders who have previously raised a concern to CGT Ballarat are often invited to become representatives when a vacancy exists.

Over its life, involvement of regulators (such as Earth Resources Regulation, the Environment Protection Authority and local government) and non-government organisations (such as the Ballarat Environment Network and Landcare) has varied depending on site activities or proposed projects and the organisation’s specific interests.

From CGT Ballarat’s perspective, the ERC benefits from a shared commitment to proactive, constructive discussion on matters of interest. Members are able to raise issues for discussion.

CGT Ballarat’s broader engagement approach includes regular consultation with community members about the site’s operations, including underground blasting activities, environmental management and upcoming projects.

¹ N. McGuckian, Independent engagement with the Costerfield community regarding the antimony mine, 15 September 2015, p. 27.
Guidance from other states

**Community Consultative Guidelines – State Significant Projects, NSW Planning**

In 2017, the New South Wales Department of Planning released its updated guidelines on community consultative committees for state significant projects. These guidelines provide insights into current approaches to reference groups.

The guidelines confirm that the committees perform ‘an advisory and consultative role’ and are not decision-making bodies. The guidelines note the purpose of the committees as to:

- Establish ‘good working relationships and promote information sharing between the proponent, local community, stakeholder groups and councils’
- Support the proponent to inform the community about projects and seek community views.
- Provide a forum for ‘community members and local councils to seek information from the proponent and given the proponent feedback on the development and implementation of projects to assist with the delivery of balanced social, environmental and economic outcomes.’

The guideline recommends the appointment of independent chairperson, in this instance appointed by the Department. It also provides an overview of the requirements for community and stakeholder group representatives.

Community representatives are required to resident or own land within the affected local government area, be involved in local community groups, know about the project and related issues and opportunities relevant to the community and be able to represent broader views. All representatives must adhere to a conduct of conduct.

The guidelines also notes that the ‘frequency of meetings may vary over time as a project moves through different stages. For instance, a committee may meet at least four times a year during construction, but only once or twice a year during operations.’

**Leading Practice Sustainable Development – Community Engagement and Development, Department of Industry, Innovation and Science**

The Department of Industry, Innovation and Science’s series of leading practice guides for sustainable development in mining includes guidance on community engagement.

The guide refers to the International Association of Public Participation’s (IAP2) Public Participation Spectrum. In doing so, it notes that ‘community relationships for a mining company can span decades, depending on the life of the mine’ with a ‘variety of approaches’ required at different times and different issues.

For example information sharing might be appropriate at some times while at others a more collaborative approach will be required. For more complex issues, different consultation methods may be required at the same time.

To demonstrate this, the guide includes various case studies where different community engagement approaches have been used. This includes examples where community consultative committees have been used to address community concerns on specific projects, provide a forum for broader engagement or act as a standing mechanism for improved two-way communication.

In each case, the community consultative committees are supported by a broader community engagement approach.

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3 Ibid, p. 4-5.
**Common characteristics**

Key to understanding what works is identifying commonalities between ERCs that are operating effectively and best practice guidance. Nine common characteristics have been identified.

These commonalities are described in more detail in the table below.

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Where ERCs are working well there is…</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relationships based on respect and trust</td>
<td>• Mutual trust and respect between all parties, and respect and trust in the ERC process. This has been built over time, based on investments by project operators, community representatives and regulators.</td>
</tr>
<tr>
<td>Skilled independent chair</td>
<td>• A skilled independent chair with experience in stakeholder engagement, facilitation and mediation chairs each meeting. All parties feel comfortable asking questions or raising concerns.</td>
</tr>
<tr>
<td>Regular attendance by regulators</td>
<td>• Representatives from regulatory agencies attend regularly, understand the context and relevant issues and are proactive in responding to ERC queries. Regular attendance is important as some ERC members have noted this is their best opportunity to engage directly with regulators.</td>
</tr>
<tr>
<td>Continuing evolving to meet community concerns or interests</td>
<td>The structure, governance arrangements and focus has evolved to meet the interests and needs of the community, the project and other parties.</td>
</tr>
<tr>
<td></td>
<td>• In one case, a community consultative committee, reporting to the ERC, has been established to provide a more regularly forum for discussing issues related to the operation.</td>
</tr>
<tr>
<td></td>
<td>• At another site, a site tour is undertaken before each meeting to allow ERC members to view changes or become more familiar with the operation.</td>
</tr>
<tr>
<td></td>
<td>• In all cases, a broad range of issues are considered by the ERC, ranging from environmental (noise, dust or rehabilitation, for example) to operational (how the site is progressing or changing) to community-related (such as a site’s community grants program).</td>
</tr>
<tr>
<td>Utilised as a forum to test ideas, seek community feedback and demonstrate transparency</td>
<td>• A shared understanding of purpose, scope and importance of the committee. Members recognise the value of the diversity perspectives provided by the committee and seek to build collaborative, long-term relationships.</td>
</tr>
<tr>
<td>Demonstrated response, where possible, to issues raised</td>
<td>Trust is built when community representatives can see where their input and feedback has been used to improve, adapt or change activities or practices.</td>
</tr>
<tr>
<td>The ERC is one forum as part of a broader long-term community engagement approach</td>
<td>Understanding and recognition that the ERC is one part of a project’s stakeholder engagement approach.</td>
</tr>
<tr>
<td></td>
<td>• The ERC may provide guidance and advice about the management of issues or activities, recommend ways to undertake community or highlight issues of interest or concern to stakeholders</td>
</tr>
<tr>
<td></td>
<td>• ERC representatives may also be asked to attend other community engagement forums to engage directly with stakeholders, where appropriate.</td>
</tr>
<tr>
<td>Supported by effective complaints management process</td>
<td>Recognition by all parties that the purpose of an ERC is to provide advice and guidance.</td>
</tr>
<tr>
<td></td>
<td>• An ERC is not the mechanism for resolving individual complaints or issues. These issues should be addressed via a transparent, timely and comprehensive complaints management process.</td>
</tr>
<tr>
<td></td>
<td>• Individual complaints or feedback should be dealt with in a way that is respectful of the individual.</td>
</tr>
<tr>
<td></td>
<td>• Where ERCs are working well, community representatives may review the aggregate of complaints or issues raised over a given period, put forward solutions to address common issues or review or recommend improvements to a project’s complaints management process.</td>
</tr>
<tr>
<td>Well-understood and robust governance practices</td>
<td>A shared understanding of ERC governance processes, including the code of conduct, meeting structure, sharing of information and ways to engage collaboratively and constructively.</td>
</tr>
<tr>
<td></td>
<td>• Some ERCs have detailed codes of conduct and other supporting materials. In other circumstances, arrangements are by convention refined over years of engagement and practice.</td>
</tr>
</tbody>
</table>
Overview
This section outlines a detailed proposal for a new earth resources community reference group framework for Victoria. Referred to as a common framework, it aligns with, or builds on, arrangements at a number of mines.

The term community reference group is used in this proposal rather than ERCs as it is a common term used to describe various stakeholder forums.

Proposed common framework
The proposed framework includes:

- Flexible policy settings to support tailored approach to community engagement throughout the mining lifecycle
- Utilising community reference group as a standard policy term
- A consistent core structure, noting that community reference groups are one part of a project’s engagement approach
- Industry consideration of guiding principles to support continuous improvement
- Updated guidance material developed in collaboration with industry, community, and government representatives
- A standing advisory group to provide expert advice to proponents and the regulator regarding opportunities to improve community reference groups upon request.

Flexible policy settings
Section 39A of the Mineral Resources (Sustainable Development) Act 1990 prescribes that:

A licensee has a duty to consult with the community throughout the period of a licence by –

(a) Sharing with the community information about any activities authorised by the licence that may affect the community; and

(b) Giving members of the community a reasonable opportunity to express their views about those activities.

While not required in the Act, establishment of an ERC is sometimes a licence condition for projects. Some have suggested the establishment of a community reference group should be mandatory for more projects.

The MCA Victoria considers the current legislation is appropriate. It enables a proponent to develop a tailored approach to community engagement, including the potential establishment of a community reference group that reflects a project’s characteristics, community preferences and interests and other factors.

These factors include the stage in mining life cycle (noting that requirements for engagement may be different depending on the phase of mine life) and current and future issues and opportunities.

The regulator maintains the ability to require certain activities, including a community reference group, as part of the work plan approval process. Guidelines should be developed for regulators as to when a community reference group may be appropriate to ensure consistency and fairness.

For example, NSW Planning’s Community Consultative Committee Guidelines for State Significant Projects identifies four factors to be considered by the department when requiring a committee to be established. This includes the scale and nature of the project and potential impacts, level of interest, proponent’s engagement strategy and whether a committee would complement other activities.7

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Refresh naming conventions

Some consider the term environment review committee to be outdated. Others suggest it indicates the committee has a regulatory review function. To others, the term is appropriate for a forum bringing together regulators, a proponent and community representatives. In some cases, there may also be a sense of pride or ownership associated with the long-term success of a group.

For these reasons, it is recommended that:

- The term community reference group is adopted as the standard term in policy guidance
- Individual groups are given the option of selecting a name they feel reflects the terms of reference of the group (as a reference group or as a sub-committee of the reference group, for example). It is envisaged that the name would be proposed by the proponent and agreed in consultation with community representatives.

This approach provides consistency from a regulatory perspective yet enables individual groups to agree on a name. It would also mean that existing ERCs can maintain their name if this is the group’s preference.

Consistent core structure

As noted, there is no ‘one size fits all’ model for community reference groups. However, there may be benefit in outlining a basic core structure in refreshed guidance material.

Based on previous discussion, a best practice core structure may include:

- An independent chair
- Up to six community representatives reflective of a host community’s demographics, site location and factors. Relevant factors are usually identified by a site during the stakeholder engagement planning process, but may evolve as a community’s demographics or interests change.
- Involvement of relevant regulators, such as ERR, EPA and catchment management authorities as appropriate for the scope of the group
- A mechanism for enabling participation by observers, guests or other stakeholders
- An agreed process for raising issues and contributing to the meeting agenda
- An agreed process for addressing issues between meetings.

Similar structures are already in place at Fosterville, Costerfield, CGT Ballarat and Kirkland Lake Gold’s Stawell Gold Mine.

Continuous improvement

To support continuous improvement the Victorian minerals industry could adopt five guiding principles in regards to community reference groups.

The proposed five guiding principles align directly with the Minerals Council of Australia’s Enduring Value, an industry framework for sustainable development. The principles also align with the Victorian Public Service Values.

Box 1: Enduring Value, a sustainable development framework for industry

Principle 10: Implement effective and transparent engagement, communications and independently verified reporting arrangements with stakeholders

Elements:

10.1 Report on our economic, social and environmental performance and contribution to sustainable development
10.2 Provide information that is timely, accurate and relevant
10.3 engage with and respond to stakeholders through open consultation processes.

Verifiable outcomes include but are not limited to:

- Health, safety, economic, environmental, and social performance is publicly reported annually. This may be site specific or aggregated in a company report.
- Transparent and consultative communication processes are used to engage key stakeholders and provide feedback on issues within defined periods.⁸

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**Proposed guiding principles**

As discussed, five guiding principles are proposed to guide industry practice in relation to community reference groups. The guiding principles align with the Victorian Public Service Values.

The five proposed guiding principles are:

- **Responsiveness** – continuously evolving to meet the needs, expectations and interests of key stakeholders, where possible
- **Transparency** – processes surrounding the group are transparent and clear and the community reference group forms part of a broader stakeholder engagement approach
- **Respect** – all members demonstrate respect for the group, its processes and outcomes and each other
- **Accountability** – all members work collaboratively and constructively to achieve the purpose of the group
- **Inclusiveness** – meetings are structured to provide opportunities for meaningful input and feedback and the forums form part of a broader stakeholder engagement approach.

The proposed guiding principles and ways to demonstrate each principle are discussed in more detail below.

<table>
<thead>
<tr>
<th>Guiding principle</th>
<th>Could be demonstrated by</th>
</tr>
</thead>
</table>
| **Responsiveness** | • Flexible agenda and meetings structures, providing opportunities for addition of new items of interest to all stakeholders, site tours and offsite meetings  
• Community representative membership is reflective of current or potential matters of most interest to host communities and other stakeholders  
• A mechanism to enable establishment of sub-committees or other forums to support progression of specific issues (ie, noise or dust concerns), obtain additional stakeholder feedback or focus on a particular project or activity (ie, rehabilitation or an exploration program)  
• Committee governance practices and focus are reviewed every two years by committee members. |
| **Transparency** | • The process for appointing community representatives and an independent chair is transparent and clear. The process provides an opportunity for input by members, including community representatives  
• Working group membership is periodically reviewed with processes in place to balance long-standing knowledge with fresh perspectives  
• Committee purpose, scope and membership are publicly available, with opportunities for stakeholders to provide feedback  
• There is a mechanism for community members providing direct feedback to the community about their involvement and contribution to the committee (ie, through existing organisation such as local council or environmental group or through a community newsletter)  
• As appropriate, information shared with forum members is also communicated more broadly across host communities. |
| **Respect** | • All members agree to and abide by a code of practice that supports constructive, collaborative and respectful engagement  
• All members are clear on what influence or input community representatives may have on particular issues (noting the IAP2 Public Participation Spectrum provides for five levels of engagement)  
• All members can contribute to the agenda of each meeting  
• All members respect that some information may be confidential or commercial in confidence.  
• Where input and feedback is provided, the project operator explains why or why not a particular course was selected. |
### Accountability

*Forum members are accountable to the process, each other and the broader community.*

- All members work collaboratively and constructively to achieve forum objectives.
- Representatives of regulatory agencies consistently attend meetings to provide members with an opportunity to ask questions and raise concerns.
- Site and regulator representatives are in a position to influence decisions and provide timely feedback on how community representative input was utilised.
- Processes are in place to progress or resolve issues between meetings, with feedback provided to membership as to progress and resolution. Issues should not be ‘held over’ to future meetings.

### Inclusiveness

*Meetings are structured to provide opportunities for constructive engagement and dialogue.*

*The forums are part of a broader stakeholder engagement program that provides meaningful opportunities for stakeholder participation.*

- Information is presented in a way that supports understanding and accessibility for members. However, in some circumstances technical reports cannot be changed.
- Members should provide feedback on how they prefer information to be presented (i.e., traffic light reports, briefing papers, presentations, site visits). This should be accommodated, where possible, however some information must be presented in a certain way for technical accuracy.
- Membership reflects the broad demographic characteristics or interests of an area in which the project operates, noting that some stakeholders will be engaged as part of separate processes.
- Meetings held at a time enabling representatives to actively and constructively contribute.
- Members have sufficient time to review, comment or prepare for items to be discussed before each meeting. Lead times should be agreed in consultation with forum members.

### Updated guidance material

While minor updates have been undertaken in recent years, guidance material relating to environment review committees was last comprehensively reviewed in 2009.

Given advances in practice and changing community and regulator expectations, it would be prudent for Earth Resources Policy and Programs to fully review and refresh relevant guidance material in the near future. A refresh of relevant guidance material and supporting templates should be undertaken in consultation with industry, drawing on expertise from existing community representatives.

As a minimum, the updated guidance material should include:

- Guidance regarding the core elements of a modern community reference group.
- Governance templates, including a standard code of conduct, an agenda and a briefing note.
- Descriptions of different types of engagement and how they relate to various issues across the mining lifecycle.
- An induction package (described in more detail below).
- Links to additional reference material.

In line with the guiding principle of inclusiveness, groups should be able to update and amend each template to meet their individual needs. Existing governance materials and processes could be maintained by agreement of the group.

### Induction for group members

While each group will be different, they share a common purpose which is providing a forum for dialogue and collaboration between community members, regulators and proponents.

To ensure that this purpose is well understood by all members, including proponents, it is recommended that a short induction package be developed. These materials would focus on ensuring a common understanding of the purpose of community reference groups.

The induction package could include:

- General information about the role of community reference groups.
- Information about the earth resources regulatory environment, including the duty to engage as well as approvals and compliance processes
- Basic training in engaging respectfully and constructively as part of a reference group
- Expectations regarding sharing of information and maintaining confidentiality on issues that may be commercial in confidence.

**Standing advisory group**

It is recommended that a standing independent advisory group is established.

Rather than mandate practice, the standing advisory group could provide guidance or advice upon request on a range of matters relating to community reference groups. Relevant matters could include how to engage with a community reference group on a particular matter, ways of appointing a new chair or how to support broader engagement. It could also ensure the currency and accuracy of supporting guidance materials, including opportunities to change, adapt and expand.

Composition of the advisory group should be balanced, with potential for representation drawn from an existing ERC, industry and Earth Resources Regulation and/or Policy. Representatives would not need to meet in person, but could engage via email or teleconference as required.

Appropriate protocols regarding confidentiality and discretion would apply.
NEXT STEPS

This discussion paper will be distributed to key stakeholders during August.

The aim is to inform consideration of policy options for ERCs and provide a foundation for development of further industry-specific guidance.