



LEGISLATIVE ASSEMBLY OF THE NORTHERN TERRITORY

12th Assembly

Committee on the Northern Territory's Energy Future

Public Briefing Transcript

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Litchfield Room, Level 3, Parliament House

- Members:** Mr Gary Higgins, MLA, Chair, Member for Daly
Mr Kon Vatskalis, MLA, Deputy Chair, Member for Casuarina
Ms Larisa Lee, MLA, Member for Arnhem
Mr Gerry McCarthy, MLA, Member for Barkly
Mr Gerry Wood, MLA, Member for Nelson
- Witnesses:** Mr Drew Wagner, Executive Director: Minerals Council of Australia – NT Division

Mr CHAIRMAN: On behalf of the committee I would like to welcome everyone to this public briefing into key challenges and opportunities associated with meeting the Northern Territory's future needs. I welcome to the table to give evidence to the committee Mr Drew Wagner, Executive Director of the Minerals Council. Thank you for appearing before the committee, Drew. We appreciate you taking the time to speak to us and look forward to hearing from you.

This is a formal proceeding of the committee and the protection of parliamentary privilege and the obligation not to mislead the committee apply. This is a public briefing and is being webcast through the Assembly's website. A transcript will be made for use of the committee and may be put on the committee's website. If at any time during the hearing you are concerned at what you will say should not be made public, you may ask that the committee go into a closed session and take your evidence in private.

If I can ask you to state your name for the record, and the capacity in which you appear. I will invite you to make a brief opening statement if you like before we proceed to some questions.

Mr WAGNER: My name is Drew Wagner and, as you said, I am Executive Director of the Minerals Council of Australia, Northern Territory Division. I thank the committee for the opportunity to chat about some of the concerns in the Territory's energy future we have in this point in time.

There is a lot of rhetoric at this stage regarding the end of the mining boom, as we keep hearing in our eastern and western media. The reality in the Territory is we seem to have bucked that trend for a number of reasons. We have a diversified commodity set. We do not have a region we can turn around and say, 'This is our central Queensland coal region, this is our northern Western Australia iron ore region'. We have a diversified commodity from that process. We have a diversified number of players in the Northern Territory at this stage, obviously 10 or a dozen operational mines. We have expansion plans in each of them, and over 200 exploration companies operational right now.

We are at an extraordinarily exciting time in the Northern Territory minerals industry. It is fairly widely recognised we are probably the largest employer, and certainly the largest economic contributor to the Northern Territory economy. It stands to reason a strong Northern Territory minerals sector means a strong Northern Territory economy.

There are ways in which we can achieve that collectively for the greater good for the greater number. Those opportunities come through growth not through taxes. Those opportunities do not come through stinging the tail which is trying to provide for the economy. Those opportunities come through helping us and assisting us to develop our community profiles, develop our social licences, and working with us on our approvals and expanding what we are currently doing.

With the profits based royalties structure we have in the Territory that is the main way upon which we can ensure a stronger return back to the economy. The single biggest factor, right here right now, is the pain we are all feeling across the community in the cost of energy. The reality at this point in time is the availability of energy. We have various examples I am sure the committee would like to further discuss through their questioning process pertaining to specific industries, specific commodities, even specific companies.

I will not go down that path unless specifically asked to. We understand the vagaries of provision of gas to a number for our players at this point in time. We understand the opportunities quite widely as to what they are presented on the table. If we can have those alternative energy

supplies - we understand the opportunity we can all have collectively as a Northern Territory community and, moving forward, if we can get some of those processes, programs and projects on the road.

I am happy to take any questions the committee has, Chair.

Mr McCARTHY: Can I have some background on the Minerals Council, your membership, and the operations in the Territory?

Mr WAGNER: The Minerals Council of Australia, Northern Territory Division is a wholly-owned subsidiary of the Federal Minerals Council of Australia. You will find most state or territory jurisdictions have a state based council of some description: the Queensland Regional Council to our east, the Western Australia Chamber of Mines and Energy to our west. It was determined about four or five years ago to stand alone the Northern Territory Resources Council would not have a broad enough membership to justify an ongoing permanent advocacy or lobbying presence. We became much like the Victorian division, a wholly-owned subsidiary of the Minerals Council federally.

Within the Territory, we do not talk about specific membership as far as numbers because the very vast majority of our players are multinationals, not just national within Australia. We can talk about production values, though. We have about 95% coverage of our membership of the production value coming out of the Territory. We have a very strong presence in the exploration market as well. That is somewhat of a moving feast with the boom and bust scenario that is exploration. We very much have representation of all the large players, plus the very vast majority of the small to mid-caps.

The position we take is an industry representational position. We try to look at the greater good for the greater industry, or the greater good for the greater community. We advocate or lobby those we need to work with, or educate if we need to what positions and frameworks we can put in place, so all of us move along on the same journey.

Mr McCARTHY: Does that involve advocacy around investment?

Mr WAGNER: We do not get directly involved with the investment side of things on a company basis. Those decisions are made at individual board levels or the individual members on a company position. Nor do we advocate for single issue, or single topic items that are beneficial or otherwise to a one particular interest. We are only ever looking at the broader industry and the broader representation of that.

As far as individual investment decisions being made, whilst we understand the trends and we the players, we do not get directly involved in the decision-making of what goes ahead and what does not. What that means is we are probably privy to most of the commercial information that is going on, affecting these decisions from these companies and these entities, but we have no influence directly over that.

Ms LEE: How many members are there in the NT Minerals Council?

Mr WAGNER: It is difficult to say the direct number of members because members of the Minerals Council would be Glencore or BHP ...

Ms LEE: I mean the NT representatives. There should be a number of how many people in the NT sit on the council federally or ...

Mr WAGNER: Sorry, I am not sure what you mean.

Ms LEE: It just you who represents the NT in the federal Minerals Council, or are there others?

Mr WAGNER: No, no, we are a division or a subsidiary of the federal body. We have a team of 25 to 30 people sitting in Canberra and Melbourne who work on the national representational position. We feed, as the conduit, into that process, as well as facilitate that information coming back out from the federal perspective.

Ms LEE: Okay.

Mr VATSKALIS: Drew, you mentioned before about the talk about the end of the mining boom, but here in the Territory, obviously, we buck the trend. We talked to the Minerals Council because, yes, we are talking about energy, but energy is not only oil and gas, it is also uranium, potential coal, irrespective of coal being unpopular now. Do you see any problems with attracting more mining investment in the Territory? Is there anything the government can do better or more to attract this investment to the Territory?

Mr WAGNER: There are probably a number of items we are already in the process of working on. My difficulty, at this point in time, is getting the number of issues on the agenda we need to get on the agenda. That is not a governmental or political process, that is being able to deal with the number of issues which are on our desks.

The government's new position on a strategic assessment is a fantastic idea, but we do not have any detail about what that means yet. Is that cultural assessment, environmental assessment, or mining approvals? We are still trying to work out where that sits. The unfortunate reality of further attracting investment, though, post-global financial crisis and post-the burning platform of what was the end of the boom everywhere else, we have seen the commodity prices come off the boil as well.

The difficulty we have there is every single player within the NT minerals sector right now has an expansion plan, a new site they are looking at, or they are going for above ground or underground. They are all sitting on the cusp of moving towards greater, bigger, better things. That is not necessarily an approvals process issue or an investment process issue. It is probably a culmination of a whole heap of different ramifications or details in play.

You mentioned uranium earlier. We have the opportunity right now to be ground-breaking, literally – pardon the pun - in the Northern Territory sector of moving underground with uranium. If, in a perfect world, we have had issues that had adverse impacts on the uranium sector, such as the unfortunate reality at Fukushima, then the uranium price may have held up a lot stronger than it has in recent times. That is not to say, though, we cannot put the position in place now to be able to take advantage of that as we come back into the field.

The Territory is producing iron ore and a bulk haulage facility, at this point in time, for the first time. We are producing diamonds for the first time in 17 years. We are moving into the rare earths, molybdenum and vanadium at this stage as well. Although we are talking energy here, it is that diversity of commodity I mentioned in my opening statement which has facilitated much of that success.

However, the difficulty of dealing with such a broad diversity of opportunity is it is always one size fits all. It is not always one parameter of how you do your approvals process, your reporting

structures, your mine management plan, or your environmental mining reports. It cannot just be a rubber stamp on what process is going on.

There has been a strong recognition of the lack of support we have had at times, as an industry, from the departments. It has not been a lack of support from want of support, it has been a lack of support from them not having the capacity to do the job they need to do.

The mine management plan is a very good example of that. We have had operational sites in the Territory for many years, since the inception of the *Mine Management Act*, that have almost been noncompliant by default, because there has been no ongoing approved mine management plan. By the time these 700, 800 or 900 pages is approved from the previous year's requirement, the next year's plan is due and the previous one has not been signed off. It is a capacity issue, not a knowledge issue or an educational issue.

We have raised that issue with the departments, worked through with the minister and the political frameworks, looked at those opportunities there, and are going to move towards a much more streamlined process. Fantastic! Look at a five-year rolling mine management plan, a four-year by exception vulnerable mining report - or whatever name it takes as we roll this out. The reality of that is it has been on the books now for six or seven months, and we are still trying to work out what the details underpinning that will be moving forward.

It was actually a position of the Minerals Council through our members, through submission, that position was put to government of that time frame. There is a good opportunity for us all to work together, for us to be able to represent ...

Mr VATSKALIS: Do you mean that has not happened yet?

Mr WAGNER: It has not been rolled out yet, Kon, no.

Mr VATSKALIS: The minister's statement in parliament said they did it.

Mr WAGNER: It has been invoked, but the detail upon which it will be deployed and delivered has not been delivered yet.

Mr VATSKALIS: Right. Okay. Are there any other impediments? I note your comments about taxation and everything else. Did that have any effect on the industry?

Mr WAGNER: Yes. With the taxes that were put in place, we had three taxes inside three months. They were taxes on taxes, ultimately. The security level process was one that, if we had had appropriate consultation - which, in the end we did - and a mechanism had been invoked in the first place, we could have had a much greater outcome.

We then had the budgetary framework delivered, with no consultation, where two new taxes were put upon us almost immediately, capping on transfer pricing, and a reduction in the ability to offset out-of-state management costs. These are direct, bottom-line costs of an industry which, at this point in time, regardless of anyone thinks or what anyone says, is not particularly strong financially.

Our entire sector across the globe, let alone what is happening in Australia and more so in the Territory because of our vagaries of tyranny of distance and our logistical issues we try to deal with, cost of production is quite high.

Mr WAGNER: The reality of that is if you put a direct bottom line here, with an inability to (inaudible) tax discount on what has been there in the first place, or put a direct cost on the

ongoing production, then it is something else that stops. It is an exploration activity that stops or an expansion program you never get off the ground because you cannot do the original scoping study for it. It is a new market that cannot be investigated because you cannot send the guys to some of our northern cousins throughout Asia to find out where this product will be sold.

It is a beneficiation process we cannot then meet our requirements within our own Territory to have some added value to the bonus of the bulk ore that we, ultimately, dig up and ship out.

Any direct cost in that circumstance has impacts on the ground. We had impacts coming back to us that projects were being shelved. We have impacts coming back to us that particular expansion plans were no longer being put forward, and opportunities were being put, but just closed, because staff could not be employed for them.

It does not sound like big dollars, but when your profit margins are less than full percentage prices, then you start having those direct impacts on the ground.

It is not to say we do not understand playing our role within the taxation and economic community. It does not mean, for instance with the securities levy, we do not believe we have a role to play. However, we have a much stronger role to play if we do it in kind by support of knowledge, equipment, expertise, and knowhow, than directly taxing us for a bottom line of what was, to them, a smear campaign of finances going all over the place. That is the outcome we have now reached by being able to have the communication framework we needed. However, the reality is we need to get stronger and better at our communication and have the ability to feed into these issues when we see them, and work through those impediments much rather than having knee-jerk reactions.

Mr McCARTHY: As an opinion, Australia's political stability, our infrastructure and those factors, are we still competitive in the global scale or are the big players now going to Africa, Asia and Indonesia for an easier target?

Mr WAGNER: There is quite a bit of mixture there as far as – I will answer that question in two ways. The reason, hopefully, will become clearer as I do. The academic answer is we are still seen as an extraordinarily attractive province, for want of a better word. There is an institute in Canada called the Fraser Institute which releases a framework every year in a report which identifies all the jurisdictions, territories and provinces across the globe and rates them against a number of key performance indicators for their attractiveness for investment, exploration, stability of government, stability of opportunity of workforce, education, training - there is a whole gamut. The Territory, for a number of years, has always ranked number one in Australia and, globally, we have always ranked top 10.

We released a monograph report about this time last year called *Opportunity at Risk*. We speak in that of our burning platform and being victims of our own success. We very much had a mentality across the sector within the nation - not so much here because of the royalty structure I mentioned earlier, but across the nation - of get in, dig it up, get it on a ship and send it north.

Our cost of production and our efficiency of production were not always taken into account, and the long-term ramifications of operating in that way were not always taken into account. It meant extraordinarily high salaries and wages. It meant very large oncost. It meant the production facilities of retrofitting some of the stuff was going to become very expensive.

As we have seen commodity prices come off the boil and seen the muted or fated end of the mining boom, we had to start looking at our cost of production so much more because it was no

longer a volume of production it is a sufficiency production framework. Whilst that has been happening, our developing country neighbours have been coming online with the same commodities. They do not have to meet the same environmental standards or salary costs. They do not have to meet the environmental health and safety or the occupational health and safety.

That is something we would never diminish in Australia, and all of our companies and all the MCA members sign on to a framework called Enduring Value which deals specifically with the social licence of operating environmentally, culturally and on a community basis. We would never want to see a reduction of the validity in the frameworks we have in place there. We can all talk about red and green tape and streamlining, and we all want to look collectively as a community how we deal with that to get the greater outcome for the greater good, but it means we are competing against international markets that do not face the same ramifications or imposts we do. That can be a state - or federal-based issue.

The carbon tax is a very good example of that. We were competing against nations that did not have the same reporting imposts let alone the same acquittal requirements. That adds a direct cost to your bottom line. When you start adding all those issues up, international competitiveness is something we all need to look at very strongly. That is why some of these impediments like streamlining, the approvals process, looking at the reporting frameworks, looking at the availability of the brave decisions we make today, looking over the horizon not just the next three or four years - what greater good can we get from those outcomes that we can put into place today by, hopefully, having that benefit over the horizon.

To bring it back to an energy framework, the Chief Minister spoke recently about providing gas to our eastern states. I had media calls about that inside three-and-a-half nanoseconds and I praised the Chief Minister for being forward thinking. I would like to hope we can have a governmental framework which looks that far over the horizon. We also have to take the opportunity to look at how we deal with our own requirements right here right now short to medium term.

Mr McARTHUR: Is Irian Jaya emerging on any of those explorations.

Mr WAGNER: They are. Most of our northern neighbours and most of the developing world, is emerging. Most of the commodities we play with day in, day out, you will find somewhere else in the globe that does not have the same economy requirements, environmental requirements, or citizenry requirements as we do. Our gold mines can be found throughout Africa or South America. Most of our heavy metals and our metals industries can be found throughout the region you just mentioned, or Africa as well.

There are very few rare commodities that Australia, let alone the Northern Territory, has the corner share of. We might be large components of the international production of it, and we can certainly position ourselves strongly in that case, but we would be very naïve in our thinking to think we had cornered or niched a market that would allow us to be able to then drive the economy through that system.

Mr CHAIRMAN: You have spoken about some of the problems you have with the regulatory framework and legislation. Is there any specific initiatives or reforms you would like to see in that area that could be of particular benefit, say, in the Northern Territory? We can only alter Northern Territory stuff.

Mr WAGNER: Very much so, yes. Mr Chairman, the Northern Territory will always be our focus. It is the reality of our relationship that the segue between here and Canberra means it is a very nice information flow. However, our primary focus here in our office will always be the Territory.

As I mentioned earlier, a number of steps are already under way. We had the Chief Minister and minister's assurance we would redevelop the mining board. I noticed only this week the minister has reaffirmed that commitment of reinvigorating the mining board and retooling what its terms of reference are, to provide more of an opportunity for a ministerial advisory council-type capacity to be able to have that direct conduit of those issues to be dealt with much closer to real time.

We need to all become much more proactive in our positions, rather than reactive of bleating once something has happened. We, as an industry organisation, are trying very much to move in that space, and look at how we can all collectively go on the journey. This is not about raping and pillaging a resource. This is not about a very senior Indigenous representative coming our recently and saying they need to have royalties between 25% and 50%. This is looking how we can get the greater good for the greater number and a totalitarian principle of how we collectively move forward as an NT economy.

If we do that, we get the success we all need. That means looking at our approvals processes, looking at, as we have those new projects come on line I mentioned earlier, one size does not fit all, and how we start retrofitting some of those processes to be able to do that. We never want to remove the rigor or the validity of that process. That is not to say we should not sit down and look at how we can improve that process as well.

There are a number of frameworks through there. We have, obviously, had a *Mine Management Act* that has now been around for a handful of years. There have been a number of issues we can consistently recognise as trends we need to deal with. We put forward a proposal to deal with the framework of what is the mine management plan. That is how it should work.

What we need, now we have, hopefully, a department that is reasonably stable in its structure - it has had a lot of movement in recent times shall be say. We have seen a framework put in place with our Framing the Future package. We can, hopefully now, with the three divisions which have been identified within the department, start moving forward on some of these issues because we are no longer shuffling the deckchairs.

We are very excited and looking forward to the next 12 months of being able to get some real rubber on the road – unfortunately, paraphrasing the minister's speech in parliament this week.

We have such potential here. We have such opportunity here. I do not want to be sitting here in five years' time at a similar committee meeting saying, 'If we just looked at, could we have had this great success?' The single strongest thing we can advocate is the consultation with us, collectively, as an industry.

I went to a briefing yesterday that talked about the NT's infrastructure requirements and a consultancy they are putting together through the Department of Transport to look at, holistically, what our hopeful forward future framework will be dealing with some of our logistical issues. We did not even have all the players around the table at that briefing. We did not have the Regional Development Australia, or the major industry bodies which are having that effect or operating in these regions. We need to start getting smarter about how we have that consultatory mechanism.

Assembly processes like this are fantastic, but I notice on your own invite list of who is here - and I am not advocating who you did or did not invite and who chose to present here today and who did not, but we are talking about energy and APPEA is not on that list.

Mr VATSKALIS: I have spoken about it, we invited them and they are going to put in a submission.

Mr WAGNER: As I said I do not have those details, so I cannot comment on it.

Mr VATSKALIS: No, no.

Mr WAGNER: But having said that, when I spoke to the APPEA representative here a couple of weeks ago when I received the invitation, he knew nothing about it.

Mr CHAIRMAN: Letters did go out to them.

Mr WAGNER: As I said, Chair, I am not lambasting the process in any way, but I think we need to collectively start making some operating decisions as a community as where we want to be in five, ten or twenty years' time.

From our own sector's perspective, we have not had a major greenfield site developed in nearly a generation, nearly 20 years. We have had plenty of brownfield sites come on line. We have had plenty of exploration and production opportunities being looked at, but we have not had a major greenfield site in full production for 20 years, but we are on the cusp of that.

We have got a number of projects right now and I am sure your colleague to your right knows just as well as I do of the number of opportunities we have now got through bulk haulage, sampling, exploration activities, and that movement towards production of the major projects that have been announced in the last 12 or 18 months.

We need to start getting those processes right. We need to start getting that streamlining in place and the bottom line, hopefully APPEA will respond to this question, we need the energy supply made available to us.

Mr CHAIRMAN: You have said before that we have had the act around for years and earlier today we were told they were going to do a review of that, and I think they said three different acts and hopefully get that back to one. Have you had some input into that or been asked to provide input?

Mr WAGNER: It is a fairly ongoing input that we provide without request, Chair. It is one of those issues that we are constantly – the reality is unless you have actually played with something for a while, you do not fully know how it works. Who better to play with it than the guys on the ground that are actually wearing the impost or the opportunity as to what these frameworks actually provide. We have been trying very strongly, once again, on that proactive sense I mentioned earlier, to hopefully work with the government to identify where some of these issues lie. As I mentioned earlier, the framework that has been put forward with the mine management plans actually came holistically from a submission that we put to government only a handful of months ago. We are very much looking forward to working towards the efficiencies they will provide.

We cannot afford to move to a position where we have resources being tied up and reporting frameworks that do not actually provide anything or go anywhere. We do need to work out what those reporting frameworks are and it is opportunities like reviews of pieces of legislation that will hopefully result with the facilitation to do that.

Mr McCARTHY: Even today, we have talked about the constraints, capital, infrastructure, land tenure, and the logical steps in the process, and in the minister's statement in comment on the floor there was no talk about education, training to employment.

What is your opinion on the workforce issues or constraints if so?

Mr WAGNER: Federally, we actually have a whole team that looks after our training and education side of things because it is very much a national issue with training and education. A bit like capital, skills workforce is fairly fluid with the ability of transportation these days. That has its own impacts on communities, the whole fly-in, fly-out, both of those who are providing the resource as well as those who are accepting the resources while the fly-in, fly-out facilitation is there. It is something we work on very strongly right through from a vocational education and training skills-based program right through to our university educational systems to try and understand what we as an industry need and then work with our educational partners to provide for that.

The unfortunate reality in the Territory is that if you went to most high schools around the traps and said to most 15 or 16-year-old blokes, 'Why do you not come and work in the mine?' they turn around and say, 'Well, why are you talking to the girls?', for a start; because there is still very much that gender imbalance which we try and work with. Then they turn around and say, 'Yeah, I want to drive a truck'. That is the extent of what most 15 or 16-year-old students thinks the workforce is on a mine site.

So one of the things we are actually trying to develop at this point in time is an educational campaign to look at the opportunities. We work very closely with a lot of the Indigenous organisations to try and have a much more increased involvement of our local communities, which by default looks at where we are operating often are our Indigenous communities as well. The workforce in most of our larger mine sites is somewhere in the realms between 15 and 25% Indigenous, but there are so many more opportunities we can actually access in that framework. Two of the largest failings we have as far as resources at this point in time are our surveying work and our rehabilitation work - we are talking cradle and grave. Yet we are trying to develop a framework at the moment to get our local communities involved in that because of retention and connection to country as a simplistic scenario. Nationally there is no recognition of the fact we have no surveyors and no rehabilitators.

It then comes down to trying to facilitate the works with the educational boards, the Department of Education and education and training providers. Do we really need to start training more barista and hairdressers, or do we need to start looking at frameworks of investment for our surveyors and our rehabilitators. It is a constantly evolving journey. We have the vagaries of the fly-in fly-out or drive-in drive-out scenarios, which have their own proclivities attached to them. However, it is something we are keen to investigate further - how we get local content, how we get local investment, and how we get local buy-in, even if it is being serviced out of Darwin, so we can retain all that investment and resource within the Territory at the same time.

Mr McCARTHY: Is the issue of 457 skilled migration reflecting how challenging the mining industry is?

Mr WAGNER: The 457 Visa reflects less than 3% of our overall workforce nationally. The 457 Visa, typically within the minerals sector, is niche market - highly skilled, highly trained specific engineers in particular markets. The 457 utilisation, or even temporary visa utilisation over a number of different categories does not form a large extent of our overall workforce.

Ms LEE: Which Indigenous organisations have you been working with?

Mr WAGNER: Most of the facilitation we do through the Batchelor Institute. We work with both land councils closely, and we branch out into specific areas from there through the advice of those three organisations.

Ms LEE: NLC and CLC?

Mr WAGNER: We do have a bit to do with the other land councils, but it depends on what the direct relationship is. Obviously, the Anindilyakwa Land Council deals directly with one company, one site, one area, but the CLC and NLC we have had as project partners in education and training and workforce development scenarios for Indigenous graduates for pre-employment, pre-workforce training.

Ms LEE: Does that come in line with ILC programs?

Mr WAGNER: That was a stand-alone program we ran with the Northern Land Council. We received both state and national awards for that program for pre-employment. It is a space most of our companies are directly dealing with at this point in time because each of them have direct relationships with the TOs, the land councils, or the groups in those regions, but it is something we try to facilitate as strongly as we can, not just here in the Territory but nationally through our parent body.

Ms LEE: I realise through the ILC programs - the ones that are picked out go through a test, and the ones that came under the 33% dropped out. The one to make it through the 33% test goes forward regardless of whether the kid can speak four different languages. That is the truth.

Mr WAGNER: It is a framework I have had nothing to do with and cannot answer. On behalf of our framework, the original pilot program was to look at a pre-employment program - how we get the workplace ready. It then quickly morphed into a pre-training, pre-employment program so the numeracy and literacy skills were irrelevant at the start of the program. Even things like nutrition, hygiene and lifestyle skills become a very important part of that program. We moved right through to the pre-employment with occupational health and safety, how to operate and maintain a work site, maintain yourself on that work site with protective equipment etcetera.

As far as any up-front assessment was concerned, none of that has ever been invoked in the programs we have run. That was a three-year pilot which finished at the end of last year. It is still currently under review at this point in time independently through one of the peak industry providers to look at where we then take that next step as a national program or at least a northern Australia program. The issues we faced were what we would ultimately find in our northern cousins in Queensland and Western Australia. The reality is we are looking at then further deploying that framework that is not assessed, that is only assessed on the individual against the individual, and which presents the entire framework of presenting to a workplace, hopefully then having some further retention opportunity, rather than just putting them through a training package, giving them some set of PPE, and sending them on their way. It was all done through partnership and mentoring and in groups of 10 or 12 to allow for that community to be able to work together.

Ms LEE: Okay. There has not been any discussion with any of the Aboriginal organisations to set up similar training with you guys and the others to come together to provide the training to the people in the region that has mining booming companies in their areas?

Mr WAGNER: It is something that some of our individual members are working on. At this point in time, thought, as an organisation it is not something we are directly involved with.

Mr WOOD: We are talking about oil and gas, of course. How do you fit in with the Charles Darwin University – what do they call it? - school of oil and gas? Do you work with those people?

Mr WAGNER: We have a much closer relationship with the environmental engineering school over there than we do with the oil and gas school. By vagaries of charter and separate legislation in the Northern Territory, we do not represent the oil and gas members of the industry sector here. Our Victorian division, for instance, because oil and gas is tied up within the minerals legislation there, they do. However, within the Territory we do not have the operators in that market as members, so we do not have a direct correlation with the CDU framework in that sense.

Mr WOOD: Going back to some of the issues that revolve around mining. Where does the Minerals Council stand on the provision of infrastructure that is required for mining? For instance, at the moment you have Ilmenite, Sherwin Iron, and Western Resources. They all use public roads. I know the argument is they pay their taxes and their registration, but the point is nowhere near money comes back to maintain those roads in a reasonable state. Should there be some requirement of companies - whether it is oil and gas or just minerals as they are developers - to put money back into infrastructure like roads? Some may have, but some do not. Where do you see the role of the mining companies in relation to that?

Mr WAGNER: I will talk specifically about the example you have just given me. They are all operating in a very small area in the Roper region. The road utilisation, at this point in time, is purely for a bulk sampling prospect, and the roads have actually been improved by those companies already using them. They have already been invested in.

The other two companies you mentioned are looking at putting haul roads into the Bing Bong Port facility. Those haul roads are being holistically paid for by those companies, at this point in time, after which there is already a strategy in place upon which those roads will be handed over to the Territory government through the Department of Transport at some future point in time for ongoing maintenance, ultimately once the life of the mine is finished.

It is an argument that gets thrown at us fairly frequently about our overall utilisation of infrastructure and otherwise, yet most of the infrastructure or otherwise would not be there unless we had that investment in that region or investment of that resource in those areas.

The finances or the economic obligation of these companies already takes very much into account what those impacts already are. Having said that, you are talking about a region that has a very current large operation in that region that powers the local township. You have a company that is already operational in that region and has been for a number of years which already provides that local infrastructure requirement.

The reality is of sitting there saying, 'Unfortunately, we have all these new opportunities in this area, we will have all these costs coming through'. You do not have to walk too far to look through the history of what has been deployed within the Territory already to see what investments have already been made. Around here, the community of Jabiru is serviced, or almost holistically owned, by a resource company.

We have a very strong relationship with CareFlight. The reason we have that relationship with CareFlight is because they rely on companies like ERA at Jabiru because they are the ones that

maintain the airport. Look at some of the other infrastructure that has already been put in place, like the ports. The ports were put in, not holistically, but very much heavily invested in, by the companies that are utilising them. The expansions that are currently in place, having the benefit for a lot of other subset industries, are being had because of what has been a mining boom, and is now moving towards an oil and gas boom. We have seen much expansion of the port facilitation at this point in time because of what we have seen in history in recent years, and what we are moving forward to.

We understand the impacts that we have on a lot of our infrastructure. We understand the impacts that have been put forward and the community perception of what that impact is on the infrastructure. But it is not too hard to actually find a lot of examples where infrastructure has been put in on behalf of a mining company that has actually had a lot of community benefit as well.

Mr WOOD: Yeah. Thanks.

Mr CHAIRMAN: Okay, thank you for that Drew. Is there anything else you would like to raise or believe that we should look at? We will get you back, on multiple occasions, I hope. At this stage is there anything you think we should be looking at?

Mr WAGNER: No, Mr Chairman. Thank you once again for the opportunity to come and present to the committee. I am more than happy to, at any time, if there is something that you want us to specifically investigate or research for you. Please never think that at any time it would not be done independently. I am more than happy to share that information to the best of our abilities. The only other thing that we would ask of the committee is, if you can find some spare gas can you let us know?

Mr CHAIRMAN: Okay. Thank you for that.