

ECONOMIC DEVELOPMENT AND INFRASTRUCTURE COMMITTEE
Inquiry into greenfields mineral exploration and project development in Victoria

Melbourne — 19 September 2011

Members

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Witnesses

Mr M. Bouwmeester, General Manager, Corporate, and
Mr C. Roberts, Director, Orion Gold NL.

The CHAIR — Welcome to this public hearing of the all-party parliamentary Economic Development and Infrastructure Committee's inquiry into greenfields mineral exploration and project development Victoria. All evidence taken at this hearing is protected by parliamentary privilege; however, comments you make outside the hearing are not afforded such privilege. Could you please state your full name and business address.

Mr ROBERTS — Chris Roberts, I am from Orion Gold NL. We have just shifted offices. Our address is 488 Bourke Street, Melbourne.

Mr BOUWMEESTER — Martin Bouwmeester, 488 Bourke Street. It has me listed there as Managing Director, but my role is General Manager, Corporate.

The CHAIR — And yours, Chris?

Mr ROBERTS — I am Director of the company, just recently appointed.

The CHAIR — Fine. Are you both appearing on behalf of the company?

Mr ROBERTS — That is right, yes.

The CHAIR — Any evidence that you give today will become public evidence at some point. Would you like to make an oral presentation?

Overheads shown.

Mr ROBERTS — Yes. Thank you very much for the opportunity to speak to you on this. I apologise in advance for the fact that we have got yet another PowerPoint presentation. I am sure you have seen lots of them. A lot of these things are better done with imagery; they are a bit easier to understand.

Orion's principal focus is at Walhalla, and I am sure many of you have visited Walhalla at the bottom of the mountains in Gippsland. It was a big mine in its time. It produced 1.5 million ounces, which is very substantial in world terms. But that was some time ago, and there is a big belt of country which we are working on. It extends about 75 kilometres northwards to Woods Point and the A1 mines. It has been a very significant area in the past, but nothing much has happened since that period almost 100 years ago. That illustrates that exploration is an industry which is quite complex; it takes a lot of time to have successful exploration and the figure quoted is that of every 1000 prospects examined, only several actually turn into economic developments. It is high risk but highly rewarding, if successful.

It is at that successful point that we need a good system on everybody's behalf, including the company and government regulator, that satisfies everybody's needs, but that is also fairly efficient to allow this success to occur. It is a remote area up in the mountains and mostly forest cover. That brings its own factors into play.

The second-last point there is something I would just like to make, and it is that exploration and mining development are very important social factors for any society; they carry a lot of the load of our economic development and our wellbeing. I think it would probably be helpful if the Minister, and Parliament in general, were able to give stronger support for that to departments and so forth because, in simple terms, each department has its own jurisdiction and things it is worried about looking at. They often see exploration coming into their area as a bit of a nuisance, whereas I think we can do better at this in our relations.

The CHAIR — Is that all the way through? Are you talking about the Minister, the departments and the community?

Mr ROBERTS — No, principally with just the regulators, really. We have very good relations with our local regulators, but I think they are hidebound a little bit by various sorts of attitudes, which could be helped by some direction from the Parliament indicating that this is an important industry and that we need to assist it and work well with it. I am not wanting to sound negative about it at all, but I think it is an important point.

The CHAIR — Now is the time.

Mr FOLEY — No, sound negative.

Mr ROBERTS — Following on from that point I think there is room for some more rational discussion and development of processes for handling these sorts of things. Many of issues we deal with are the same, time and again, for each of the areas we are looking at to put a drill into, or something like that. The same issues come up. It is quite appropriate to develop a checklist of things, and if the company supplies all of the information for that, it makes everybody's life easier. It is almost tick the box now, rather than prolonged waiting and moving from one department to another and so forth.

The CHAIR — Can you give us an example?

Mr ROBERTS — At the moment we have to put in what is called a work plan, which is very sensible. It describes in great detail what we are going to do. It includes photographs of every tree, fern or thing that we might have to make an access track past, along with where our drill site is going to be and any trees that have to have a branch taken off, and all those sorts of things. It describes exactly where our drilling is going to be and what we are going to do to rehabilitate that area at the end of the day. That is all very sensible, but then that goes to DPI, our main regulatory body, and they give their feedback. Maybe we have to go back and rewrite some sections. It then goes on to environmental conservation and other departments, and all of that could be better handled if it were more prescriptive, in the sense of, 'What would you like to know?'. We could provide that, and we could all meet perhaps for an initial meeting — all departments — so that everybody could have their say.

The CHAIR — Instead of being replicated.

Mr ROBERTS — Yes, because the time delays do go on, and it may take three or four months to get a work plan approved. In some areas we have what is called section 44, which is really a ministerial authority, because some of these areas are within little historic areas around old mines, and that can take long periods. Even though there are statutory time frames, time drags on. As we go through this I hope you will appreciate that we have to have flexibility to be successful, and we have a lot of restrictions on us in terms of access periods and those sorts of things.

The CHAIR — Those statutory time frames, they are not complied with?

Mr ROBERTS — Sometimes they are not.

This is just a series of images, very simple maps, to show what the accessible areas are in time. That is the block of exploration tenements that Orion holds with Walhalla at the bottom. That has been our main focus, because it was a very substantial deposit. It is about 75 kilometres north to south, so it is a big tract of country. They are the historic recorded mines from the Mines Department's records. There are a lot of them — 420 of them. You can see that we have been able, over time, to work out which are the most important ones. There is a line running up through the middle there, and that is the continuation of the same sort of geology as our Walhalla deposit and, as chance would have it, it takes in Woods Point, Morning Star and A1 as well. It was, far and away, the biggest production line trend in that area. For us to have access to that is important, because its history demonstrates that it is a good place to look.

Mr NOONAN — Is any of this farming land, or is it just mountainous terrain?

Mr ROBERTS — No, a couple more slides on you will see what it looks like in the aerial photo, but it is pretty well all forestry. This is very much the same slide as the previous one, just showing some of the more important old mines that we are looking at. There are some applications in blue on the left-hand side to fill in gaps we have noticed. As you can see, what we are finding in practice is that work plans require a minimum of three months. In our terms that is a long time, and I do not believe it needs to be that long.

Mr SHAW — How long does it take to produce the map that you give to DPI?

Mr ROBERTS — Not very long, depending on what we put on it, if it is existing data. If we are collecting new data then it takes time to collect that new data. It is easy to make maps of most of the things we are talking about.

This is now showing national parks and those sorts of things, just to give you an idea of the restrictions we have to deal with. That is the Thomson River dam which I am sure you are all aware supplies most of Melbourne's

water, so that in itself has some issues; we have to be careful of catchments and so forth. It also places restrictions on our access at certain times of the year.

That is the section 44 I mentioned, which is related to a lot of these smaller areas here. This is the Walhalla historic area here, which is our main area of focus, but the one we are doing at the moment is here. All of these things also have their own local issues which have to be dealt with.

The CHAIR — Minor variations mean starting at the beginning again?

Mr ROBERTS — Not quite, but it is almost that in effect. All the departments need to see that again and so forth. One of the things that I think would help us to do better in that regard would be if there was a facilitator, somebody from the principal regulatory body who then helped to manage us.

The CHAIR — Something like a one-stop-shop would be attractive.

Mr ROBERTS — That would be very useful because everybody has other things to do and they are not particularly concerned about our little issues, so the attention is not there.

Mr FOLEY — When you say ‘everyone’, from what you have said I am guessing you are talking about Melbourne Water, DSE, Parks Victoria and DPI at least, plus whatever your local council is.

Mr ROBERTS — Yes, that is right, plus others.

Mr FOLEY — How many local councils do you sit across?

Mr ROBERTS — Two. They are generally fairly helpful.

Mr FOLEY — But they are essentially legislated out of the plan process.

Mr ROBERTS — That is right.

Mr FOLEY — Mostly Melbourne Water, DSE, Parks Vic, DPI, and catchment management authorities as well?

Mr ROBERTS — Yes, they can be.

Mr FOLEY — Is there anyone else you run into on a regular basis?

Mr BOUWMEESTER — If it is relation to, for example, potential dewatering-evolved work, there is also the water authority itself.

Mr FOLEY — Okay. And on either side of the Great Divide would there be one or two water authorities?

Mr BOUWMEESTER — One, Southern Rural Water. There is also the EPA.

Mr FOLEY — Do you run into the Department of Planning and Community Development, or is it DPI that does the planning stuff?

Mr ROBERTS — No, we never run into them.

Mr FOLEY — So that is at least seven state agencies.

Mr ROBERTS — Yes.

Mr BOUWMEESTER — Aside from the work plan process there is also Native Title Services Victoria.

Mr ROBERTS — Which is in this case quite fortunately has been determined so we know which group we deal with — Gunai/Kurnai — for a lot of our area anyway.

Mr FOLEY — Do you run into any federal agencies at all?

Mr ROBERTS — No. We are not really doing the level of disturbance that would bring endangered species in and that sort of thing.

Mr FOLEY — Or export approvals and that sort of stuff.

Mr BOUWMEESTER — Simply exploration; mainly minimal impact with some ground-disturbing activities.

Mr ROBERTS — The other thing that I have not pointed out, and it is a very big factor for us, is seasonal road closure which takes up six or seven months of the year. As you might be able to vaguely see, the little wormy things here are the roads that have been closed during that period in winter.

The CHAIR — ‘Wormy things’ is a technical term?

Mr ROBERTS — Yes, that is right; it was. Glad you picked up on that.

Mr FOLEY — Who closes those roads; any or all of those agencies, DSE or — —?

Mr BOUWMEESTER — Normally Parks Victoria.

The CHAIR — Is that because they have to be closed?

Mr BOUWMEESTER — Too wet.

Mr ROBERTS — That is a very interesting point because we take a lot of care of access tracks; it is important for us and for everybody. The issues are mainly erosion when it is too wet, but there is also the spread of bacteria which affects trees. We have taken precautions when we have been allowed access over a period when our drill was still in there as to what we were going to do because we were still working. We have wash-down facilities and a car that is quarantined there for that period. It does not come out because of the bacteria and so forth. But from the erosion point of view we do gravel sections of road that are moist, wet, that sort of thing.

The CHAIR — So you think strategies that you could adopt — —

Mr ROBERTS — That is right, and have adopted.

The CHAIR — Could obviate the need for that?

Mr ROBERTS — I think so, with a little bit more acceptance of this. At least we are people who have a responsibility here. We have a tenement, and we are responsible. We are not just somebody who drives through. Interestingly we had a response back recently saying we could not gravel some of the road in the winter closure period because it would spoil the amenity for other forest users. What was meant by that was that the roads would not be muddy enough for the four-wheel-drive club to have fun. There are some funny things that occur.

The CHAIR — Is that the delay of seven months very costly to your company?

Mr ROBERTS — Very. We have obligations and quite a high expenditure level is required on all these tenements. The State grants us the right to look for minerals, but we have obligations to spend the money and do something and if we cannot get there — —

Mr FOLEY — It is not an endless right.

Mr ROBERTS — That is right. If we cannot get there for seven months of the year then — —

Mrs PEULICH — Could that be reduced? What is your ballpark figure?

Mr ROBERTS — I would think with care the access period could be eliminated completely for specific areas. We could say, ‘This is the only area we will use and this is what we will do and people can check on us every so often’. We have done this in the past in some areas and it works very effectively. It is an important aspect. This is just really giving you an idea of how much of the area is being cut off by these sorts of issues like road closure and stuff. The yellow area gives some idea of the importance of that.

This is just a landscape view showing the amount of forest coverage in the area and, as you can see, that is pretty well forested.

Mr FOLEY — It is State forest mostly?

Mr ROBERTS — Yes, it is.

Exploration is a developmental process. It is not something where we know what we are going to be doing where from the start. Every time we take a step we have to assess that and that then dictates where we go, so we need flexibility.

The CHAIR — So your work plan process is a real problem.

Mr ROBERTS — Work plans need to be able to be amended with rational discussion about how we cope with these things. A lot of the changes we have to make are relatively minor. In fact a lot of the work we do is relatively minor in its impact, so I think this can be managed fairly simply.

Mr FOLEY — Could you give us an example of some of those incongruous restrictions on access for relatively minor activities?

Mr ROBERTS — Yes. Because it is steep terrain we have to pretty well make tracks wherever we go to get access to a drill point and it is important that any drilling, because it is very expensive work, is in the best possible position. That has run us into issues where because there is no real safe, sensible option we have to remove a tree — sometimes. A lot of the time we can go around them; we always try to go around mature trees. But even going down an old track which is starting to get a bit fern-covered and things like that it has been ‘No, don’t go down there; don’t affect the ferns’. The whole area is covered in ferns and with some care and feedback from departments on their concerns we believe we can manage these things. We would like to get around carte blanche restriction to debate about how best to do these things, with the acceptance that yes, it is important that you do this work and you are going to be responsible about it. Is that helping you understand it?

Mr FOLEY — Yes, it is.

Mr ROBERTS — And it gets down to quite small detail.

Mr FOLEY — And the interdepartmental rivalries?

Mr ROBERTS — That is a bit of a throwaway line, and perhaps I should not have put it out there.

Mrs PEULICH — I think we are very interested in it.

Mr FOLEY — Because I think we have identified at least eight parts of government you deal with.

Mr ROBERTS — Yes, that is the thing — everybody has their patch. I think probably Parks Victoria does not particularly want DPI and mines people coming in and dictating to it how things are going to be done. I think there is that sort of thing. It is just natural in any organisation of humans, I think, but I am sure it can be better dealt with.

The CHAIR — But that sort of throwaway line is quite helpful to us.

Mr ROBERTS — This is a bit of a technical diagram. It is a 3D view of the Walhalla mine. There is one big plain running along here, which is a major deep fault. A lot of the mineralisation of this comprises the areas that have been worked in the past — they have been mined, the old stokes. You can see a shoot running down here on that big fault and some other smaller developments here. Then all of a sudden there is this shaded area down the chute they mined which went very steep and down, down, down — very rich and very steep. Nobody over 100 years had really come up with any explanation for that, but some recent studies we have been doing have now indicated that there is in fact a crosscutting fault here, and these are very important right through the region because they concentrate where these two things meet. Where they meet is where you get the conditions for mineralising the fluids to flow and deposit mineralisation. It is this sort of recognition from a detailed study of old records that can bring you a big key to exploration through the region.

The CHAIR — That was not known?

Mr ROBERTS — No, it was not picked up on at all. Everybody wondered why. They did years and years of work out here and really found nothing to the north, because it just disappeared. That just illustrates that it is developmental but it is also a hard job, so we need to try to make the things we can affect as easy as possible. I think some of that is the regulatory regime.

Mr FOLEY — That information you got from what CSIRO was talking to us a bit earlier about the publicly available geoscience data — —

Mr ROBERTS — That is a wonderful thing within Australia that all of the records from our modern-day exploration have to be furnished to the departments for storage, but way beyond that the early records, the historical records, are quite good for the mine because it was a big mine.

Mr FOLEY — That is available to anyone — because obviously you have got a particular interest — —

Mr ROBERTS — That is right.

Mr FOLEY — But theoretically anyone could front up and pursue this?

Mr ROBERTS — That is right, and we were able to bring some new and modern-day sort of thinking to structures and how mineralisation is controlled to bear on that.

Mr BOUWMEESTER — Just while you are on that, Chris, just taking a step back to the work plan process — for example, when Chris spoke about this we did some drilling in that northern area back in late 2009. Chris?

Mr ROBERTS — Yes.

Mr BOUWMEESTER — So then building up the information from that as well as the historical records for the exploration guys then to, for example, determine that if we were to say in February, and Chris would come up and say, 'Right, now we are in a position where we can put a work plan together to drill this', you then step out a three-month process to put the work plan together. It is a restricted, historic area, so then there is another 28-day approval period — so you eat into four months. When we do get approval, you then come up against seasonal closure — for example, that would be May and June. Then we cannot get access to that area until the start of November. If you then commence a drill program in November, the drill program can take three or four months. You can see how very quickly a couple of years can pass by. The access thing and the work plan process itself are very critical for us.

Mr NOONAN — Just on that access issue, it says in your submission that you have made some small gains in recent times with the Department in relation to access during these seasonal closure periods. I presume that is right, but I think it would be useful for the Committee to understand under what conditions there has been greater and better access than what you might have enjoyed in the past.

Mr ROBERTS — The first aspect is that they have actually considered having access for various reasons into particular areas. Depending on the sensitivity of that area, if it is a non-phytophthora area, then it is easier. But we have to lock all the gates, we only use defined access routes, we wash down all of the equipment before it comes in and before it goes out and we also fix up roads with extra sheeting of gravelling and all those sorts of things. So it is those sorts of aspects, yes.

Mr NOONAN — So universally applying those sorts of simple measures, you believe, could probably overcome those issues?

Mr ROBERTS — I think so, yes. I do not think the departments particularly object to that. It is a bit new I think, but generally it has been a blanket restriction that just makes it easy — everybody is happy and nobody goes in. But we are sort of registered forest users, as having exploration licences here, and forestry goes on in some of these periods.

Mr BOUWMEESTER — We made an application to get access to these areas during the seasonal closure period, which Chris showed on the tenement plan before, and that was denied. We then went back and made,

after consultation, an application for access to a specific area, which was then granted. We used procedures and so forth to ensure that that was successful. We used that same process last season. That gives us access to particular areas, but certainly there are major portions of our tenements that are completely off bounds during that period. We can get some access, but not — —

Mrs PEULICH — Just in relation to access, you mentioned earlier — and there has been evidence given by others — that out of 1000 explorations you might only have a small handful of successful ones. Obviously there are a lot that do not generate positive results. How big an intrusion are they on the natural environment? What is the size of the drilling and what equipment are you using and so forth — just to get a bit of a mind around that?

Mr ROBERTS — Unfortunately I could not find a suitable picture to show you what one looks like, but there are two parts to that question. In 1000 prospects looked at, that does not necessarily mean getting down to the point of drilling. That is one of the most advanced points of exploration. A lot of it is walking over the countryside, taking samples, possibly digging little holes and all those sorts of things.

Mrs PEULICH — How big a hole?

Mr ROBERTS — Just big enough to get down below the soil; there is a little bit of those sorts of issues. Onto the drill pads, they might be something of the order of 5 metres by 5 metres — that sort of area. Often they are a little bit bigger if you are on a very steep slope, and that means we have to cut into the hill a little bit and build out a little bit to be safe enough for everything to sit there. But when we are finished those sorts of things and the access track is in, our obligations generally are that the tracks are not preserved. Even though there are firebreaks and things like that, they do not want to have a lot of these tracks there. Our undertaking is to rake back the topsoil. It has to be placed when it is taken off in such a way that we can rake it back over these areas and try to re-contour as much as possible.

Mrs PEULICH — That is the tracks. How about the actual — —

Mr ROBERTS — And the pads are very frequently replanted to revegetate them too. The next couple of slides will attempt to give you a little bit of an idea of how things grow in this area. Revegetation is absolutely fantastic.

Mrs PEULICH — And over what period of time — —

Mr ROBERTS — We take record photos, and over a couple of years all of a sudden they are little saplings and bushes and all sorts of grasses and things like that come up and cover the track.

Mr FOLEY — Chris, because it is a State forest — and I am not an expert, but like most Victorians I have been there — is this land that is subject to VicForests leases or is it too steep?

Mr ROBERTS — Some of the heritage areas are obviously not. They have got heritage overlays and no forestry occurs in those, but right adjacent to those, yes, forestry does — —

Mr FOLEY — Within your tenement?

Mr ROBERTS — In our tenement, yes. I will show you.

Mr FOLEY — With active forestry activities now?

Mr ROBERTS — Yes, and we have to be careful of big logging trucks coming around the little corners.

Mr FOLEY — In terms of your activity and VicForests roads activity, does that align or are they just in different worlds?

The CHAIR — You just make it fit?

Mr ROBERTS — Yes, we just use the same roads as they do. We have to make sure we all have CB radios on the right channel and say, 'Such and such calls so and so, we are coming down'.

Mr FOLEY — Yes, because when they come down, you had better get out of the way!

Mr BOUWMEESTER — They are not stopping.

Mr ROBERTS — Yes, the truckies are not so good about that. They say, ‘B-double coming down now’. We say, ‘Where are you?’, and they say, ‘Coming down’. Right, okay. ‘I’m bigger than you’. These are just some pictures of a historical area. You can see the deforestation that occurred, given that this was all well covered. Closer into town, this is the main mining area. You can see that the slopes here are just soil. All the trees are gone; they were cut out for pit props underground but also for steam boilers and that sort of thing. That is not really the sort of thing we would look at these days; we are bit more circumspect in our removal of vegetation and do only what has to be done where the mine actually is. This is what the town looks like now. When you go there it is glorious just looking up at the hills. There are huge trees up there — beautiful-looking trees, with a lot of good growth.

This is — if it will work for me! Let me just try.

Mr FOLEY — Inside the mine with the light off?

Mr ROBERTS — Yes, that is right!

Video shown.

Mr ROBERTS — What do you reckon? Raping and pillaging miners?

Mr FOLEY — This is 2012? So this is?

Mr ROBERTS — Forestry, on the other side of the ridge from the area where we are not allowed to touch any ferns.

Mr FOLEY — This is the VicForests contractor site?

Mr ROBERTS — It is just that this is the way forestry is done in the area, and we do not deny it. This is what happens and what we do.

Mr NOONAN — You are suggesting two very clear, differing standards?

Mr ROBERTS — I think it just brings it home that we could be a little bit more rational in the way we consider how we do things.

Mrs PEULICH — Can we have a replay of that?

Mr BOUWMEESTER — So there is this area, then there is a road and then there is an area where we explore. As Chris mentioned before, the removal of a tree or so forth is very different.

Mrs PEULICH — When you compare how you leave a site to that, what do you find?

Mr ROBERTS — Our area is a tiny little area by comparison, and maybe one tree has been removed or something like that. We put the topsoil back and re-contour. Here this is still sort of re-contoured; it is just that the topsoil has been fairly well disturbed and pushed up in piles with a lot of rubbish, timber and things like that. But it does come back.

Mr FOLEY — So has VicForests handed this back to DSE, or is this still under VicForests’ rehabilitation?

Mr ROBERTS — I do not know the politics of that. I do not know, I am afraid.

Mr FOLEY — So VicForests, to give them their due, might well argue, ‘Well, you have copped us halfway through’ or something like that?

Mr ROBERTS — Quite possibly, but a lot of it just looks like that, and it starts to regrow by itself, yes.

Mr BOUWMEESTER — And I think for us, for example, to remove three or four trees to get to where we would like to put a pad, from our perspective — and it is probably better for you to talk about this, Chris — it is better for us to work with another area, with a pad in a location that is sub-optimal. It is very difficult for us to

get approval to remove a couple of trees. We are well aware of our rehabilitation obligations, and certainly I think we are fully on board with what we need to do when we pull out of an area. It is just actually access to the area that we need.

Mr ROBERTS — Yes, and the situation here is that it is forestry one side, and the other side is a heritage reserve, where we are trying to work. It is either side of the same hill; it is very close.

The CHAIR — I see that it creates some angst for you.

Mr ROBERTS — Yes. We are not decrying the foresters, because they have their job and business too. It is just the two different standards that I am trying to point out.

The CHAIR — I would like to ask another one. Could you take us back to the start, where Orion Gold started? How did you go about getting the licences that you have? And how is that maintained?

Mr ROBERTS — Martin might be better able to speak on that because he has been with the company since its recent reincarnation. It was earlier a company called Goldstar Resources, which ran into financial difficulties because it did not have the exploration success in time for the shareholders to be happy.

The CHAIR — And it had to put up with the same sorts of impediments?

Mr ROBERTS — Yes, among other things.

Mr BOUWMEESTER — Orion Gold came about, as Chris said, because the previous company, Goldstar Resources, was in administration. Between — and these are broad numbers — around 2003 and 2009 it had spent \$32 million on exploration, leading to a feasibility study for the development of a gold resource it had drilled up in an area very close to where Chris just showed that video of, over the road. Is that near Tubal Cain?

Mr ROBERTS — Yes, it is.

Mr BOUWMEESTER — They put that together. They then, in 2008, which we know was a pretty difficult year worldwide from a finance perspective, got themselves into some financial difficulties. This was certainly before Chris was on board and before I was on board. They went into administration in January 2009. Then as part of a recapitalisation process the new board came on board, and Orion started its life, I suppose, in mid-2009. We started drilling on the main tenement within that package in November 2009. The leases that were in existence when we took over were already in place. Some of those are quite old — from the early 1990s — and some of them were a bit more recent, as part of tender processes. Since then we have made application for another three tenements, I think. We have relinquished land, both on a voluntary basis and also under the relinquishment requirements of the act. So we have gone through that process, and we have made application for additional areas.

Mr NOONAN — Just as a follow-up to my previous question, are you able to provide the Committee, by way of follow-up, with those conditions that you have been able to negotiate for the seasonal entry access?

Mr ROBERTS — Yes, certainly.

Mr NOONAN — Just in writing to us, because it may become a source of a recommendation for us as a committee. That would be highly useful. I really have two questions. We have been provided with very good intelligence from our Executive Officer, who are sitting behind you, about the fact that you have operations in Queensland. It would be interesting for the Committee if you could provide some perspectives on the regulatory perspective — Victoria versus Queensland, and where Victoria is placed. That is the first question. The second question relates to the previous Gold Undercover program — you have not provided any comment on that — and the value of, as a State, investing in co-funded drilling programs. Do you have anything to offer to the Committee in relation to that as well?

Mr ROBERTS — On the Queensland aspect, I did not mention that here because we are really minority joint venture partners in a project being handled by somebody else up there.

The CHAIR — That is copper?

Mr ROBERTS — Yes — copper and gold. In terms of dealings with departments, we are not hands on in this company with that, but we have other experience. I think much the same sorts of issues occur throughout all sorts of organisational groups. However, in Queensland by and large the location does not dictate such restrictive management. A lot of it is just open country. So I cannot give you an insight that says Queensland is better or worse really than Victoria, and I do not want to decry Victoria at all, because we get a lot of very good help from the people here. But there we could do better, I am sure.

Mr NOONAN — If there are any perspectives that you want to offer after this hearing, we would still be happy to hear those if you have got those, upon reflection. On the second issue — that is, the Gold Undercover?

Mr ROBERTS — Both Martin and I have had previous involvement in Victoria for many years at Fosterville. We ran that operation there, and it is quite evident that all the gold deposits that were mined historically and more recently have been covered in the past by the Murray Basin coming in, and there is nothing to say that the same geology that we are dealing with at Bendigo and all around Ballarat does not just continue under there. Recent work has demonstrated that that is the case.

It is pretty expensive work when you are drilling absolutely blind through 100 or 150 metres of sand and things like that, just hoping that something down there will give you a clue as to where to go. It is very valuable work, the undercover investigation, because they brought to bear a lot of other tools as well, and other departments — CSIRO and all — were involved with deep seismic things to show where there might be major faults and structures in the underlying crust. These things are important in regulating where fluid for mineralisation can come up. I have to say it is a very useful thing but it must be done with a long-term view. So probably only governments can do these sorts of things because they cover large areas and a lot of different people and those sorts of things, and it is difficult for companies to actually do it.

The CHAIR — And the risk is great.

Mr ROBERTS — Yes.

Mr NOONAN — But it is a great way for government to assist industry and send the right messages more broadly about the fact that the state or the jurisdiction is very much open for business.

Mr ROBERTS — That is right, and for many years other sorts of surveys have been done, like aeromagnetics. I think you have probably seen the lovely coloured geophantomograms where higher magnetics occur, and their values are very often related to mineralisation in some way or other. Doing the whole State like that or covering the whole of Australia is very, very important for exploration purposes.

Mrs PEULICH — The staff have provided some questions as well, and usually we only refer to them to make sure that all the ground has been covered, obviously for the purposes of the preparation of the report. One of the questions listed here is that in the context of your exploration licence applications, your company stated that meeting native title requirements can extend the approval process by an additional two years. How would your company propose to amend these requirements to achieve what you consider to be a more fair and more certain arrangement for mineral exploration, industry and indigenous communities?

Mr ROBERTS — One of the difficulties has been — and it is not so much in Victoria, but elsewhere — identifying which is the correct group to speak to. There is a reasonable process now whereby we, having had an exploration licence granted, advertise notices, and if nobody responds in that period, then you can proceed without that. However, if a number of people with conflicting sorts of claims respond and that has not been heard in the Tribunal, then that all gets rather difficult. I cannot offer a simple solution to that, I do not think. I think that is a bigger question than we are able to deal with.

It is more of a government and social sort of issue to do it, but suffice to say that where we have got clear claimants, we have very good relations with them. The Gunai/Kurnai are very helpful and understanding of what we are trying to do, and we try to utilise their services as much as we possibly can, which I think is important. So native title can work very well, with goodwill on both sides, but it can get quite messy where there is argument between different groups and it is uncertain as to who is in control. If you have an agreement negotiated and go to all the effort of getting that settled, they might then be the wrong people. Somebody else might be the right person, so it needs a little bit of thought, I think.

The CHAIR — More certainty.

Mr ROBERTS — Yes.

Mr BOUWMEESTER — Chris touched on before, particularly in the southern areas of our tenements, that there was an area determination in relation to that part of the field where the Gunai/Kurnai is the native title group that we deal with, but then the next step from that is coming up with a land use agreement. We know then where the land is, and then it is coming up with a conversation agreement that all parties are comfortable with to enable us to proceed to exploration. That is the area at the moment, I think, that is unresolved.

Mr ROBERTS — Yes, and the reasonable terms for what is being envisaged, because many people, not just the Aboriginal groups, do not really understand the difference between exploration and mining, and there is a lot of — —

Mrs PEULICH — They think it is one and the same.

The CHAIR — There is a massive difference.

Mr ROBERTS — Yes, so the claims can be quite strong claims as to what we have to pay to do anything — ‘Because you miners, you have lots of money’, that sort of thing — but that is not peculiar to Aborigines, I am sure.

Mr FOLEY — In the exploration business, in really steep yet pretty rough country, in terms of the Western Australian competitors and the Queensland copper industry, if you got to the position of a lead or a resource that could be developed, how would you develop in that kind of country?

Mr ROBERTS — Most of the deposits we are looking at historically here and what we expect to find would probably be mined on the ground, which makes it a little bit easier. Considerations are also to ensure that any run-off and water from de-watering and those sorts of things would go outside the water catchment for Melbourne Water, which means pumping into the next valley and those sorts of things. Tailings, the waste product material and management are all things that would have to be dealt with, but this is not like New Guinea where putting a tailings dam in is almost impossible because the whole countryside is moving and anything wet has to flow off down the river. Here it is stable, and you can build very long term stable dams and things which can all be engineered and be satisfactory in the long term. So yes, there is a whole environmental impact and planning process that would need to be gone through in that case, and those issues can all be technically and I think environmentally dealt with very effectively to everybody’s satisfaction.

The CHAIR — Within about two weeks, you will receive a copy of today’s proceedings, and you can make any alterations to that of a typographical nature but nothing to the substance. On behalf of the Committee I would like to thank you very much for your submission today and also for your oral evidence and answers to our questions.

Mr ROBERTS — Thank you.

Mr BOUWMEESTER — Thanks for the opportunity.

Witnesses withdrew.