

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

Melbourne — 10 October 2011

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Ms A. Currie, Principal Exploration Geologist, Iluka Resources

The CHAIR — My name is Neal Burgess, I'm the Member for Hastings, I'm the Chair of the Committee. On my right is Martin Foley, who is the Deputy Chair of the Committee, he's the Member for Albert Park; on Martin's right is Wade Noonan, Member for Williamstown; on my left is Inga Peulich, Member for South Eastern Metropolitan and on Inga's left is Mr Geoff Shaw, Member for Frankston.

I need to explain to you that this is an all-party parliamentary committee and is hearing evidence today into greenfields mineral exploration and project development in Victoria. Welcome to this hearing of the Economic Development and Infrastructure Committee's Inquiry into greenfields mineral exploration and project development in Victoria. All evidence taken at this hearing is protected by parliamentary privilege; however, comments that you make outside won't be afforded the same privilege.

Can you state your full name and business address, please?

Ms CURRIE — My name is Alison Lindsey Currie, I work at 159 Burgins Road, Hamilton, Victoria.

The CHAIR — And are you attending in your private capacity or on behalf of the company?

Ms CURRIE — On behalf of Iluka Resources.

The CHAIR — Evidence will be taken down today and will become public evidence in due course. I invite you to make a verbal submission.

Ms CURRIE — Thank you. First of all, I would like to thank the Chair and the Committee for allowing me the opportunity to provide a submission on behalf of Iluka Resources and attend today and answer any questions the Committee has.

I would like to speak to you today to present a view as a practising exploration geologist. I interact daily with staff from the DPI, DSE and other government and local government departments. As a practising exploration geologist I also deal with the MRSD Act and Regulations, the Aboriginal Heritage Act and many other acts and regulations to enable the actual planning and execution of heavy mineral sands exploration programs in Victoria on behalf of Iluka. I can only speak from my experience exploring for mineral sands in Victoria over the past five and a half years. I have explored for many other commodities in other states, but my experience in Victoria is limited to heavy mineral exploration.

First of all, I would like to present to you a brief overview of Iluka Resources and then summarise some of our written submission. Iluka is the world's largest producer of zircon and the second largest producer of titanium dioxide minerals. Iluka's operations are based in Australia, with mining and processing operations in Victoria, mining operations in South Australia, as well as mining processing and ilmenite upgrading operations in Western Australia. The company also has a mining and processing operation in Virginia, in the US. Iluka has two operating mine sites in Victoria: the Douglas mine site is located near Balmoral in the western district, and the Kulwin mine site is located between Ouyen and Manangatang in the State's north-west. The company also owns and operates a mineral processing facility in the western district at the township of Hamilton. Iluka employs in excess of 400 people in Victoria, and this includes full-time staff and contractors.

Iluka's exploration strategy in Victoria involves both greenfields and brownfields activities and is designed to both identify new coarse grained heavy mineral resources and extend the economic life of existing operations. Iluka holds significant mineral resources and ore reserves throughout the Murray Basin, including Victoria, and I refer you to our written submission for details. The nature of coarse grained heavy mineral deposits in the Murray Basin is typically high grade, narrow, long, discrete deposits. Of the heavy mineral deposits discovered to date, the majority are currently considered marginal to uneconomic to exploit. Iluka holds tenure over several fine grained WIM style deposits, none of these are currently included in the company's recourse inventory. Iluka regards the Murray Basin as one of the most prospective regions for heavy minerals in the world, due to the high value assemblage of rutile and zircon and the high grades of VHM. However, I should point out that the Murray Basin is fairly mature in its exploration for heavy minerals and it's increasingly becoming more difficult to find new deposits there. I deal daily with staff from the DPI, particularly the Earth Resources Division, DSE and shire and local government officers. I find these officers are cooperative and usually go out of their way to provide assistance to us.

For the majority of tenement applications and work plan approvals, if we make a special request for an approval date because we have a specific start date for an exploration program, the staff usually go out of their way to meet our deadlines. However, I do find that in dealing with government departments, many of the officers are unfamiliar with mining and exploration practices, which can result in inconsistencies and delays due to the time required to educate them on our low impact exploration. For example, we conduct exploration in three operating districts being south-west, the north-west and Gippsland. We have established relationships with the mines inspectors from the south-west and the north-west, who are familiar with our low impact techniques and our good rehabilitation record. We recently commenced exploration in Gippsland, and our relationship with the mines inspectors and DSE staff from the district had to be established from scratch.

We usually don't have much of an issue with getting tenements approved; however we've had one issue that has caused us some problems and they are when we have tenements that are subject to advertising under section 29 of the Native Title Act. That requires that the application is advertised for a four month period. In August 2008 Iluka applied for two exploration licences adjacent to the Douglas mining licence. The DPI took until April 2009, a period of seven months, to begin the four month advertising period for the tenements. The time taken to process the application meant that any deposits that we may have identified could not be developed before the mining operations would have ceased at Douglas. The tenement applications were withdrawn before any on-ground exploration was undertaken.

Mr FOLEY — Withdrawn by the company?

Ms CURRIE — Withdrawn by Iluka, yes. It was just — —

Mr FOLEY — Too much gap.

Ms CURRIE — If we had have found something we wouldn't have been able to get all our permits approved quick enough before Douglas, which ceases in April next year; it was just too short a timeline.

The CHAIR — Would that mean the problem would have been a gap in your business to be able to keep the staff on; is that right?

Ms CURRIE — I believe so, yes. I believe once you stop a plant and lay people off it's difficult to bring them on again. I'm a frequent user of the online Victoria Geographic Information System, or GeoVic, on the Earth Resources website, and the Biodiversity Interactive Map on the DSE website. Both systems are easy to use and I view them as some of the best online resources currently available. We work in South Australia and New South Wales and Victoria, and I've worked in Western Australia, and they're pretty good, the Victorian systems.

Mr NOONAN — South Australia is usually the benchmark for everything.

Ms CURRIE — The South Australian one is pretty good but I would say GeoVic is — —

Mr NOONAN — Is better?

Ms CURRIE — Probably is comparable; probably fairly good.

Mr NOONAN — You can say better.

The CHAIR — At this stage we'll accept that.

Ms CURRIE — I will also say that the DPI and DSE websites are both very good sources of current information for our regard. Obviously access to land areas within Victoria is a key issue for ongoing exploration success in Victoria. Access to private land for exploration activities has always been a relatively easy procedure for Iluka in the Murray Basin. We use the Victorian Farmers Federation forms and we personally discuss our exploration program with each landowner separately to gain their consent. To my knowledge, we have never had to approach VCAT to gain access to carry out exploration drilling on private property; there is always a solution that can be negotiated for exploration drilling to gain access. But I should point out here that heavy mineral sands exploration is lucky that we have a fairly low impact drilling rig, so we just use the small rigs mounted on the backs of Toyota Land Cruisers. So we are lucky in that sense that farmers are not as worried when we just say, 'Can we drive our Land Cruiser on your paddock?' as opposed to, 'Can we drive our

enormous diamond drilling rig?'. So we do have that luck but, as I said, we can always negotiate some way of being granted access to the property.

Mr SHAW — You heard the concerns from the prior people that were here, and one of the ladies who had a personal involvement with that, and she was quite shocked.

Ms CURRIE — Yes.

Mr SHAW — So how would you have dealt with that situation?

Ms CURRIE — We approach all landowners personally if we want to have access to their property. Usually, as she said, a cup of tea but that's usually how it starts off because it's a friendly way to do that sort of thing, and then we would address her issues. Coming from the other point of view, we certainly wouldn't be telling her we would be cutting her fence and driving onto her land, as she said, but sometimes things get quite emotional in that sort of regard.

Mr NOONAN — What if she said no?

Ms CURRIE — If she said no we'd probably go to the neighbour's property or we'd do some other way; we'd just find a way first that we could say: all right, fair enough, in the first case we'll just see what's around.

The CHAIR — Find out what you're arguing about?

Ms CURRIE — Most of the time we say to farmers, 'Let us on, let's have a look, if there's nothing there we'll leave you alone'. And a lot of them say, 'Fair enough'. A lot of them say, 'Well, if you can look for some water for me'. Especially in the drought, they will quite often approach us when we're on the roadsides and say, 'If you'd actually like to come and drill next to my paddock it's over there'.

The CHAIR — I suspect there's gold on my property.

Ms CURRIE — You know, we're quite happy to collect the samples for water for them. Quite a lot of landowners don't ask for compensation. I say, 'I'll drill you a hole over there, I can't put a water bore on it because we're not allowed to do that, but I can tell if you there's good water in there and I can give you a water sample'. A lot of landowners say, 'Okay, fair enough. Don't come on when I'm in crop, I'm going to cut my crop in January, how about you come on in February?'.

Mr FOLEY — Is that because you're in basically broad acre country and there's a different, all sorts of things — approach, industry, population density?

Ms CURRIE — Probably. Deposits are where they are, there's nothing you can do about it. If there is one under the middle of Melbourne it's where it is. There are not deposits everywhere in the State, there are a very finite amount and they are where they are. We would like them to be all within 10 kilometres of Hamilton.

The CHAIR — Is this after exploration licences?

Ms CURRIE — Sorry?

The CHAIR — When you're knocking these people's doors.

Ms CURRIE — No, this is when we've got an exploration licence granted. Stage one is that we drill on roadsides, if we could.

The CHAIR — Under a licence?

Ms CURRIE — Yes.

The CHAIR — Do you think it would be different if those people found out that you had an exploration licence before you actually spoke to them, an exploration licence that covered their land?

Ms CURRIE — We have to advertise in the paper to tell them that we're applying — —

The CHAIR — Do you find they often know already?

Ms CURRIE — Quite a few people will ring up and ask me a question. People will ring up and want to know whether they can get a job on my mine, even though it's only an exploration licence. We do get the questions.

Mr NOONAN — Would you object to sending them a letter as opposed to advertising in the paper?

Ms CURRIE — The only problem would be with that would the Privacy Act because at the moment we're not allowed to obtain details of — —

Mrs PEULICH — Someone would need to do it on your behalf.

Mr NOONAN — Yes, if there was a medium. Let's say DPI did it across the private landowners where your exploration licence was subject to?

Ms CURRIE — I don't see that as a problem. I would imagine that the letter would accompany some sort of information to say 1 in 1000 of these will become a mine and most probably the company won't even contact you. We have a very small amount of landowners that we actually have to deal with, most of the time we deal with the Shire, drill on the roadside and then move on. But we have the problem that we can't get that information, that landholder information, so that would have to be some way sorted out.

Mrs PEULICH — What is your response, and we've heard obviously in the earlier presentation and one other in a preceding week, a call for the exclusion of certain areas to even exploration activities? One was on environmental grounds and the other obviously was on was prime agricultural grounds, and no doubt there would be lots of others with lots of other views, so what is your reaction to that?

Ms CURRIE — We're already excluded from mining in national parks and restricted Crown land. That's the law, I guess, and we comply with whatever the law is. I guess we would do as we are told, we do as the law says that we do. Whatever you restrict us from is whatever we can and cannot explore under. I guess that's for the State to decide on how important mining is versus agricultural land is.

Mrs PEULICH — A further question. Your low impact exploration, does that impact on the quantum of the bond that's paid?

Ms CURRIE — I think all bonds are — I'm trying to think of the word — I think bonds are just based on area.

Mrs PEULICH — Not the level of impact that you have?

Ms CURRIE — No. I think the State has a right to review bonds at any time but I think ours is something like about \$10 000 per licence. I don't know if that has any impact on our exploration.

Mr NOONAN — In your written submission you refer to cost and time required to obtain planning consent as one of your major obstacles as a company. Specifically you refer to, at the state government level, that an Environment Effects Statement is one blocker, or at a local government level through a Planning Permit, and they are the major hindrances for project development, but you also mention Native Title there and that's been noted by the Committee. Can you just explain how many times you've had to complete an Environment Effects Statement and your experience there firstly and, secondly, at the local government level through those Planning Permits? Again, how many times have you had to go through the local Planning Permit process in your experiences?

Ms CURRIE — I can't answer that, I'm sorry. That was given to me by colleagues within Iluka for the project's part of it.

Mr NOONAN — Could you take that question on notice and provide some more information to the Committee after this hearing, if that's okay?

Ms CURRIE — Yes.

Mr NOONAN — And the second aspect — you may not be able to answer this — you do also say in your written contribution that you have a proven track record of successfully rehabilitating mined out areas which have been returned to their previous land use; for example, in the south-west of Western Australia. Are you in a position to just explain your work there and responses more broadly from the community because it goes to the issue of the environmental impacts of mining?

Ms CURRIE — I'm not an environmental person so I can't tell you the full — — We have been mining in the south-west of WA for the past 40 years. We routinely mine farmland and when it has been mined, the soil is returned, the topsoil is returned, and it is returned back to viable cropping land. There are quite a few areas where we've mined where if you drive down between Bunbury and Perth there are signs on the side of the road saying, 'You are now passing a mined-out area'. And there's a wheat crop or a canola paddock or something like that growing with a view bank of trees growing around the outside of it. I know one area that we have returned is now a native bird sanctuary. We used to do a lot of dredging in the south-west of WA, one of the things is you end up with a hole because you have a dredge pond that is filled up with water and now it's become a nature reserve for birds and things.

Mr NOONAN — Just one really quick last one. What would happen to the area of Hamilton and surrounds if your mines don't operate in the area to both the economy and, more broadly, the social fabric of the area?

Ms CURRIE — I wasn't in Hamilton before our plant came along so I really can't judge that, but we certainly inject quite a large amount of money into the local community. Hamilton is quite a thriving community, quite a going ahead town, it's quite an optimistic town, the schools are nice and full and there are shops opening up and everything, so it's not just Iluka; there are tree farms and whatever but I think quite a thriving community.

Mr NOONAN — Are you one of the largest employers in the area?

Ms CURRIE — I think us and our contractors are probably one of them, yes.

The CHAIR — Geoff, you've got one?

Mr SHAW — Yes. Allison, we heard the people before as well. What you just said is contrary to what Jim just said; he was quite disappointed with the way the mine was left, and you heard what he said there. I might just get your comment on that. But as a geologist, how is Victoria looking?

Ms CURRIE — Looking with regard to?

Mr SHAW — To mining. As far as the assets that we've got in the ground.

Mr NOONAN — Potential prospectivity. Is that right, Geoff?

Mr SHAW — Yes.

Mr NOONAN — Sorry, I've been — —

Mr SHAW — No, that's good.

Ms CURRIE — Let me address the first bit first, so it was?

The CHAIR — He believed the topsoil wasn't put back.

Ms CURRIE — Again, I can only speak for what is happening at Douglas at the moment. Douglas is closing down, it will finish in March next year, we are progressively rehabilitating as we go through, so we have returned areas to productive farmland. I've been out there, I've seen the crops growing, as I think some of you are coming out to Douglas in a couple of weeks' time and you will be able to view it then.

The CHAIR — Be worth seeing.

Ms CURRIE — There are legacies of older mines that haven't been rehabilitated. If you go to Broken Hill you can see some of the legacies that are left there. I don't know whether we should be held responsible for other companies.

Mrs PEULICH — Previous generations.

The CHAIR — I think this might be part of generations before.

Mr SHAW — And the second part of that question?

Ms CURRIE — Prospectivity. Prospectivity with regard to heavy minerals, we're still here so we still believe that Victoria is still prospective to looking and we are still actively exploring Victoria. We've just applied for some new tenements in Victoria, which means that we are obviously still quite keen on exploring. We have a mineral separation plant in Hamilton that ideally for us we would be feeding it locally rather than feeding it from interstate, keeping our costs down, so we're still actively exploring.

Mr FOLEY — Your written submission refers to an MoU with the Department of Transport. Who initiated that, how did it come about, and how do you see that as a potential model for other areas of easing the way for prospectivity going from mineral exploration all the way through to a successful mining outcome?

Ms CURRIE — Okay. I don't know who initiated it; I believe it had been talked about for a long while with previous general managers of Iluka with various people in Parliament. I'm not sure, I'm sorry, I can't answer that one.

Mr FOLEY — Maybe if you word it up for the boss for when we get there, that might be one of the things that we look to model as to how to make things easier, I suppose, that can inform such a discussion, if there are any lessons we've learnt.

Ms CURRIE — Okay.

The CHAIR — Thank you very much. We appreciated your submission and also your verbal submission today and answers to our questions. Within about two weeks you will receive a transcript of today's proceedings and you are able to make alterations to any typographical errors, but not alterations to any substance of what went on. Thank you very much for being here; we greatly appreciate it.

Ms CURRIE — Thank you.

Witness withdrew.