ECONOMIC DEVELOPMENT AND INFRASTRUCTURE COMMITTEE

Inquiry into greenfields mineral exploration and project development in Victoria

Adelaide — 17 November 2011

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Mr A. Belperio, Exploration Director, Minotaur Exploration Ltd.
The CHAIR — Thank you very much for being here. I am Neale Burgess, the Member for Hastings. I am the Chair of the Committee. On my right is Martin Foley, the Member for Albert Park, and on my left is Wade Noonan, Member for Williamstown. Welcome to today’s public hearing. This committee is an all-party committee and we are hearing evidence on the Inquiry into greenfields mineral exploration and project development in Victoria. The Economic Development and Infrastructure Committee is required to inquire into, consider and report on the benefits and drivers and barriers of greenfields Mineral Exploration.

All evidence taken at this hearing is protected by parliamentary privilege. However, any comments made outside this hearing will not afford such privilege.

Could you please state your full name and business address?

Mr BELPERIO — Antonio Belperio. Exploration Director of Minotaur Exploration Ltd.

The CHAIR — You are appearing on behalf of that company today?

Mr BELPERIO — Yes.

The CHAIR — Any evidence that you give will become public, in the public domain at some point, so now I invite you to make a further submission.

Mr BELPERIO — Thank you, Mr Chairman. I have in front of me some dot points which I was going to talk to. Firstly, I will give a brief overview of Minotaur. Minotaur is what we call a junior exploration company. We are very much focused on greenfield exploration, so it certainly appears to me as if we are very relevant to this inquiry.

The CHAIR — Absolutely.

Mr BELPERIO — This is the sort of company that Victoria would probably like to attract. I must say in the last few months we have been attracted to Victoria. We explore Australia-wide but Victoria has not featured very greatly in the past. We were there from 1999 to 2002 and we applied for more ground a bit over a year ago and we just applied for some more ground yesterday. So we are starting to come back into Victoria.

The CHAIR — Welcome back.

Mr BELPERIO — Thank you. Now, the way Minotaur operates is that junior — well, exploration operations in general have been shifting more and more to junior companies over the last couple of decades in particular. The very large companies, it is probably true to say, are not very successful at exploration. Most of the exploration success in Australia in the last 15 years has been by junior companies but invariably those successes do get taken over either by the deposits that are discovered or the companies themselves get taken over by larger companies which in turn get swallowed up by an even larger company.

The CHAIR — Is that the goal, is it?

Mr BELPERIO — It is not necessarily the goal, but every junior company dreams of making a discovery and developing it themselves. The reality is when they make the discovery they do not have the bank balance large enough to exploit it. So you have to bring in a partner. Our experience with Prominent Hill was like that. We discovered Prominent Hill in 2001. We were, I think, only capitalised at a few million dollars then and in the end we had to sell it to Oxiana. We tried to stay in, but Oxiana, I guess, used their development muscle to take over the project, but we are not complaining because our shareholders in the end benefited by many hundreds of millions of dollars.

The CHAIR — That is good.

Mr BELPERIO — And Oxiana AU, now OZ Minerals — which only has the Prominent Hill mine — is a four billion dollar company. That discovery translated into a four billion dollar enterprise today. So it is a very, very clear illustration of how exploration creates wealth from nothing. There was nothing there before. It creates wealth and that wealth gets distributed regionally through the community to the governments through various taxes and royalties and to company shareholders. So it is a model that works very well in Australia. Australia
has done very well out of it and that is why we are doing so well currently in the current and global turmoil, but it did not happen overnight. It took many decades to get to this level of activity.

Now, what happened in South Australia — and I will get to that later as well, because South Australia embarked on a program of specifically trying to increase exploration activity and they are benefitting enormously now, but that process has taken over 10 years.

The CHAIR — Is that right?

Mr BELPERIO — Yes. What is called the PACE initiative started back in 1996 — sorry, before 1996.

Mr NOONAN — Yes. It was called something else then. It was called the SAEI, South Australian Exploration Initiative. The government came in and changed the name of it and tried to make it look like it is theirs but it has been a concerted effort.

The CHAIR — The existing government has done very well with it.

Mr BELPERIO — That is right. It has been built on 12 to 15 years of prior activity. In fact, I remember it very well because it was in 1990 — in 1988 there was a gold boom in WA, huge, hundreds of new companies being formed and that was really the birth of the modern gold industry, but none of them come to South Australia. I was in the mines department at that point and was asking: ‘Why are they not coming here?’. It was because there was no perceived prospectivity and there were no discoveries so no-one was exploring. So it is a never-ending circle.

The CHAIR — Which is pretty much where we are at.

Mr BELPERIO — That was pretty much the killer, so I think from 1988 it took a good 10 years of effort for exploration to actually start creeping up and then after 2001 it started taking off. So it took quite a while to actually really have an effect. What the Department did was an enormous amount of focusing on what does industry want, what does the exploration industry want? They want data, models, ideas, they want turnover of ground, they want easy access, easy regulations and bit by bit it all fell into place. Now it has become self-sustained. Exploration has gone up from $10 million a year to over $200 million a year and that is resulting in discoveries and because discoveries are happening, people see prospectivity is much greater so companies are clamouring to come here. So it has been a great success story.

Anyway, coming back to the dot points; I am still on Minotaur Exploration. So Prominent Hill was a classic example to us as a company — not so much the Government, but to us as a company — as to how you actually make a decent scientific discovery. We had documented what we were doing before the discovery, so it is all there in black and white, there is no rewriting history. We actually set out with a new model in mind. That new model came from bits and pieces of information out of the mines department, it came from our own internal scientists and geologists, but to get to the data, data was not publicly available because the ground was held by a couple of major companies: CRA and Normandy. So we actually had to approach Normandy to see if they would allow us to look at their data with a view farming in. They would not do that unless we did a joint venture with a bigger company which we did with Billiton which then became BHP Billiton later. Billiton’s financial muscle and our new ideas allowed us to get into a bit of ground, look at data, come up with a new idea, pick the targets and go and test them and we picked those targets based on Normandy’s data. We did not actually collect any new data.

The CHAIR — It was always sitting there.

Mr BELPERIO — Yes. Basically it is looking at data with a fresh set of eyes that resulted in the discovery.

The CHAIR — Are you doing that in Victoria?

Mr BELPERIO — We are trying to, yes.

The CHAIR — Hence the new applications.

Mr BELPERIO — Yes. We have been watching what is going on in Victoria. There is a bit of a copper push in western Victoria. That is what we have been watching. There have been snippets of information coming
out over many years and we thought it might be time to have a go. So we are about to have a go. Having said that, exploration has a notoriously low success rate. The guesstimate is about 1 in 100 of your targets might actually be what you think it is. It might actually have something interesting, some mineralisation there and 1 in 10 of those might be economic. It is a very low success rate, many years of trying, many millions of dollars going into the ground, so you have to have very patient shareholders, but then eventually when the rewards come they are pretty big.

So I think Minotaur, when we discovered Prominent Hill we went from basically 10¢ to $3. That paid for many years of very poor returns or negative returns really. In exploration you spend money and you do not create money until you make a discovery. So hence many miners are upset with the resources super tax because that super profit is to make up for many, many lean years of no return.

**The CHAIR** — Yes.

**Mr BELPERIO** — So how do we make exploration decisions, then? It is basically a combination of exploration models which all exploration companies have their own models in-house. Some of them are well-known others we have our own internal variant on those. Minotaur explores for Olympic Dam style copper and gold. We have our own models for that. We collect certain data types to back those models up. That is what we base exploration on. Now, the models in turn rely on data. A lot of that data comes from government. That is not necessarily data that the Government goes out and collects. A lot of it is previous explorers’ data. So explorers come and spend money on the ground, they do a certain amount of work, undertake magnetic survey, drill holes they do not find anything, drop the tenement and all that data goes to the Government. The Government geologist enters it into data bases. Twenty-odd years ago when you picked up a new bit of ground, the first thing you did was you went and spent two months going into the relevant geological survey and manually going through all the past exploration reports. That is the first thing you did on any project. These days the different government surveys filter all that information out and put it into these GIS databases which are fantastic. They are a huge benefit in terms of efficiency and rapidity of making exploration decisions. It is really important that you double-check the original reports, though, because there are lots of other bits of information in there that you cannot get into a digital database, but these digital databases are fantastic.

One of the big pillars the South Australian Government set up very early on was the digital databases and a massive effort into capturing all the backlog of historical company data. So now you just go onto the website and look up a huge amount of data from all over South Australia, all the previous drill holes, previous assays, previous rock observations, links.

**The CHAIR** — And you apply your research methods to that.

**Mr BELPERIO** — Yes. So we are looking for snippets of information amongst all of that data. Government agencies will come up with their own models. That is not a priority for us. The priority really is being hands-on good quality data that you can trust that has been collected correctly, entered correctly, spatially correct, you can trust how that has been done and then you will actually make a decision based on that data. ‘So let’s peg this bit of ground, let’s commit’.

**The CHAIR** — Is that an expensive process?

**Mr BELPERIO** — The actual pegging of the ground is not, but as soon as the licence is granted it is. Minotaur has about four to five million dollars of expenditure per annum over a dozen or more tenements. So it is a big commitment. We have to raise that money each year.

**The CHAIR** — When there is no income. That is very interesting.

**Mr BELPERIO** — Then the last of those three I have got is the regulatory and land access environment that we have to work under and that has got a significant impact on — it is not the major decision, but it is certainly an important decision and Victoria has actually scored quite poorly in the past. That is why we have always been hesitant to go there.

**The CHAIR** — And that was the reason.
Mr Belperio — Yes. The geological argument is now starting to outweigh that, so we say, ‘Okay, let’s grit our teeth and go in’. Now, a lot of that is to do with the fact that Victoria does not have pastoral country; it has private property. So you have got to be fair, you have got to compare oranges with oranges. So in South Australia we would be very hesitant to work in the Adelaide Hills because it is all private land. It is hard work and you have got to have an agreement with every landowner, a lot of doors to knock on and a lot of notices to serve. The pastoral country is so much easier to deal with.

So just moving, just enlarging on each of those then, Victoria has traditionally been perceived as being quite good for mineral sands and gold and not much else. Copper, however, has been gaining more exposure recently. We have been watching it. There have been a couple of good presentations and publications put out by the Victorian Survey that we have been poring over and they have been instrumental in that decision to go in. So yes that is a good tick to the Geological Survey there. Also the digital data has been improving. Victoria will certainly lag behind South Australia but in last two or three years I have been having a look and it has been pretty good.

The Chair — What makes the difference there?

Mr Belperio — It is the ability to go in on the web and zoom into an area without worrying too — okay, you do have to register and have a password, a small, just a minor irritant, but you can do that. Zoom in and start to see data instantly and it is the key datasets that you want. You know, where are the tenements, where is the free land, where is the impediment, where are the national parks, et cetera. So that is the first thing; in other words, is there a bit of land available, then you want to see that the physical and geological databases because we are chasing certain geological features in the landscape that you mostly interpret in geophysics and you want those features to coincide with a bit of free land. If the free land is there, okay, that sets the mind ticking. Is it the best part of that structure.

So then you start interrogating drill holes and other data that might be available. You are starting interrogating past exploration reports that give summaries that go with those and you might even download the entire report and start reading them and basically trying to decide whether that bit of ground that is available is actually the bit that you want. Often it is not, but it is close enough to make it interesting.

So the example we went through last week, the real bit of ground we are after is tightly held, there is some equivalent ground available but it is under basalt cover. Now, normally that would be a real impediment to the traditional exploration but we have quite a bit of geophysical expertise. We think we can see through that cover and so that is what we are going to try. We try and see through the basalt and see if we can see the targets.

The Chair — How do you do that?

Mr Belperio — There are some new techniques called heliborne electromagnetics which can now penetrate probably 400–500 metres.

The Chair — It is like a magnetic sonar, is it?

Mr Belperio — Yes. It is electromagnetics, it responds to sulphide minerals that give off their own electromagnetics.

Mr Foley — Where was that technique developed? In Australia?

Mr Belperio — A combination of Australia and Canada. Canada is the leader in EM techniques.

The Chair — What about particularly for South Australia. As we understand it or as I understand it, there is a lot.

Mr Belperio — No, not that particular technique because South Australia has a lot of conductive cover. So this method sees through existing rocks not conductive rocks. In Australia we use a lot of gravity, magnetic and electromagnetic techniques which also sees deeply and we also have magnetotelluric which is a different sort of electromagnetic technique. Magnetotelluric is a passive technique that uses all the tropical thunderstorms that go on every day and put out extremely sensitive sensors and you pick up very minute electromagnetic signals that reach through sufficient fields. They are induced by those tropical thunderstorms. A lot of exploration is very high tech.
The CHAIR — That is a massive barrier for entry. You need to have that sort of expertise.

Mr BELPERIO — That is right. So Minotaur, we have 10 geologists of which two are geophysicists and very good geophysicists. That put us a step above most real junior companies that might only have one or two geologists. So just continuing under mineral endowment, we think the data availability for western Victoria has improved enormously. We are able to match that with our models and say this might be the time to go in. So yes, that is a tick for the Survey.

Regulatory environment, though, we do not think that has improved since our experience in 1999 to 2002. Just in the last year what we have had to deal with is probably not much different. Back then our experience was that we were allocated case managers — I am just thinking from memory — in the Department. Those case managers, however, were not geologists, they were basic clerks, so they did not understand what we were doing and they just resorted to basically notifying every time they had a very slight infringement like you were a day late in sending in your financial report or we had not said exactly, we had not done exactly what we said we were going to do.

The CHAIR — Working against you more than for you.

Mr BELPERIO — Yes. It was very off-putting. They were basically as policeman to whack you around the head rather than someone there to encourage and assist. That is what we look for in a geological survey.

The CHAIR — Which is what you get in South Australia.

Mr BELPERIO — Yes. If we go in and ask for information, you have to obviously go to the right people. There is obviously the regulatory branch, but there is a very good branch to help and assist and give you whatever data you want in whatever form you want very quickly.

The CHAIR — So for a new entrant that does not have any of that experience in South Australia, is there somewhere you can go to that basically has a roadmap?

Mr BELPERIO — Well, the Department puts out a whole series of little newsletters and information bulletins on how things happen, so yes. I would not be worried as a new entry coming into South Australia. It is all pretty simple.

The CHAIR — Open arms.

Mr BELPERIO — Yes. To the point where you just go in and have a chat with them and they will tell you, ‘Read this, this’, and this is how it all happens.

The CHAIR — Okay. But they tend to have fairly long-term experienced people in there?

Mr BELPERIO — Yes, but they have also had a bit of a turnover where there has been quite a lot of bright young people come in, particularly the GIS side, the data management side. That does require new people.

The CHAIR — We were told that there was some subsidisation going on with geoscientists during the period of time. Would they have ended up in those departments?

Mr BELPERIO — Some ended up there and some end up with us. The Department is very proactive and our chambers are very proactive as well, so they are able to nip things in the bud very quickly. So as soon as it was downturn in the GFC, companies stopped spending and geologists started to become unemployed. The Department realised they did not want to lose momentum here. How can we keep these geologists in South Australia? So they used some of their PACE funding to subsidise. We took on new a graduate. It was all new graduates. So we took on a new graduate who turned out to be very good.

The CHAIR — That is good. Excellent.

Mr BELPERIO — So we receive a 50 per cent subsidy through PACE.

The CHAIR — Is that the completion?
Mr BELPERIO — No. Regulatory environment. Just to expand a little bit on the regulatory environment in Victoria, it is basically several things. There is quite a bit of red tape, so the actual applications, the applications for licences, the annual reporting requirements and the work plans that have to be submitted are quite onerous. We find that a bit odd, particularly in the work plans and the effect of that work plan is that we have actually been getting, even after one year, we are getting slapped around the head again. We put in a two-year work plan for our tenements in central Victoria, Rochester, and there a lot of flooding a bit over a year ago so you could not get on the ground from January to March, so that was delayed. So our year 1 program is effectively going to start now and we are being asked: ‘You said you were going to drill in year 2, why aren’t you drilling? You better put in a drill work plan otherwise you are going to be cited for breach of your work plan’. We are saying: ‘What?’

The CHAIR — So you are feeling anything but welcome.

Mr BELPERIO — That is right. We are basically being dictated how we can explore and that is not how exploration happens. By all means every company accepts that when you are granted a licence you have a minimum expenditure obligation, and we all accept that if you do not spend that, say, minimum $200,000 than per annum, then you lose part of your licence. Everyone accepts that, but if you are spending $200,000 per annum, what you actually do as long as it is bona fide exploration is no concern of the Department. The fact that we suddenly change from doing ground EM to proposing airborne again because the landowners want too much compensation and you cannot sign off, we should not be held to ransom by the Department who said you said: ‘You are going to do this. Why aren’t you doing it?’. Well, we shouldn’t then have to spend a lot of time trying to explain that. So that is a fundamental problem that just emerged in the last few months.

The CHAIR — In South Australia your case manager would already understand that, wouldn’t they, where you are at?

Mr BELPERIO — Yes. We put in work plans, absolutely, but it might be a three or four liner — applying some magnetics, we are going to do some ground physics and then going to drill some holes. When we come to drill the holes, we actually put in an approval at that point. We have been told by Victoria, ‘You’ve got to get your drill work plan in now’, but you haven’t done the groundwork to do that. So that is not working very well.

The CHAIR — Okay.

Mr BELPERIO — So there are some fundamental red tape issues there.

The CHAIR — So sounds also attitudinal.

Mr BELPERIO — Yes, and the attitude as well. The other thing we are grappling with now is the owner-occupier consent and compensation agreements which effectively give the landowner right of veto.

The CHAIR — In South Australia?

Mr BELPERIO — In Victoria. Having said that, in South Australia as well you do need absolutely, on private freehold land you need the consent of the landowner, but here it is as simple as walking up to the door, knocking on the door and talking to them and if they are agreeable, you get them to sign a one-pager whereas in Victoria it is something much bigger, but trying to go through for each property owner is a huge task. I just went through the work plan which is overly proscriptive.

Exploration is a highly iterative process. You do a bit of work and you review the results of that work, that work might be highly encouraging. It might tell you to do it differently or it might be highly discouraging and you give up and walk away. That is how exploration works. So we have to have the freedom to chop and change exactly what we are going to do.

The CHAIR — Sure.

Mr BELPERIO — Also you know it takes many years to make a discovery. So persistence is the name of the game. Even if you do not walk away from one particular tenement as long as you are spending year after year modifying your ideas, trying something new, then you should be allowed to continue to renew that tenement. Spend it or lose it. Yes, that is a good approach. We have been to Canada where you cannot renew the tenement unless you spend X dollars per whatever. It is there in black and white. If you do not spend the
money you lose it. It is very effective, but if you have spent the money there is no issue, no problem. You can basically go and explore as you see fit.

Enlarging again on the South Australian experience, as I said it is been a long time coming. The current PACE program had at least two predecessors which continued into each other, but in different names and they covered every facet of exploration industry required to help their success rate, whether it was data, whether it was models, whether it was regulation, whether it was access.

**The CHAIR** — This one currently is most successful, though?

**Mr Belperio** — I think pretty much every geologist in Australia says that it is the most successful in the world probably in turning around its exploration activity, turned it around very successfully to the point where it has becoming self-sustaining. You could almost say the Government does not need to — could stop — spending money now on new PACE initiatives, certainly keep up with the assistance of regulatory levels. You do not want to turn that around, but the actual dollars in the ground, you could argue they do not need to drill their own, you know, run their own surveys, drill their own holes anymore because there is now enough activity to keep feeding new data.

Certainly in areas there are still areas attracting no exploration, such as the APY Lands, Nullarbor Plains, where companies see it as too hard. You could argue in those frontier areas there is a role for government to play to do some very applied strategic work to get that snippet of information that will bring an explorer in.

**The CHAIR** — It would seem to be money well invested.

**Mr Belperio** — Yes. You can measure success in terms of just the exploration dollars spent. It is well over $200 million per annum now, probably $300 million per annum. When you look at the stats for gold exploration, that is the easiest thing to discover in WA. It takes on average $10 million to make a discovery. So that is why in WA there is $300 million of exploration being spent on gold alone. There are at least a dozen new discoveries every year. You can just put it down as pure statistics. So that is the leg hold that we want.

Having said that, the Government endowment in Victoria is different that that in WA. We are a different style and model. Companies are getting very negative about exploring for gold in Victoria because of that nuggety nature of gold. It is just too hard from the big company’s point of view to drill it out to sufficient current standard, et cetera. That is probably it in a nutshell from me. If you want to go through any items.

**Mr Foley** — If I could lead off. Given that operated across a number of jurisdictions, the international jurisdictions, what do you feel from that greenfields perspective, what do you see as providing the greatest assistance, greatest effective assistance to explorers at that level, from a government level?

**Mr Belperio** — There is no doubt that data is critical because without data you could never choose a particular country or state to go to. So there has to be a certain level of information available to make that decision. Then the next most important step is a welcoming regulatory regime where you are welcomed and taken through the regulatory environment and advised if there is any problem this is who you need to see and talk to, these people here, if you need technical data, talk to these people here. So providing a very friendly face to start off in a country or state where you did not really know the system.

**Mr Foley** — So once you have got that pre-competitive publicly available quality data and then a regulatory system, they would then, perhaps, for instance, if you are a gold company looking into Victoria given that brief nuggety issue and disappearing under hundreds of metres of surface cover, using the South Australian experience of the drilling program and support, what other forms of assistance from the State are appropriate in what is still a private benefit competitive system?

**Mr Belperio** — Well, I guess the third level there would be assistance in interpreting the data, coming up with a new model for the Victorian Goldfields that gives people more confidence on how to target. So a company might look at the data under shallow cover north of Bendigo and say ‘Let’s go and explore there’. They might decide the regulatory regime is okay, ‘I guess we can move onto ground’, but you still need a cost effective way of exploring. If you do not have that cost effective way, pretty soon you are going to run out of patience, run out of money and say, ‘Well, no, we cannot go on like this’. That cost effective way might be a new geophysical technique, new structural model. You know, that is where the geoscientists need to come to
the fore, and for copper they have done that, they have come up with some new models, put up some big concepts up there which are attracting some attention.

Mr FOLEY — Overall, those pre-project hurdles, how important for South Australia is the one-stop-shop and what precisely is the one-stop-shop?

Mr Belperio — One-stop-shop is just that welcoming, ‘welcome to the Department’ where they say: ‘Okay, yep, we understand what you are trying to do. This is how we can help you. Just come and see this person or see this range of people, depending on whether you have an environmental problem, a land access problem, a geological technical data problem’. Basically saying: ‘Come to these people for help’.

The CHAIR — Are they, in effect, in the one place?

Mr Belperio — Yes, and assist. Yes.

The CHAIR — So each department would have somebody at that place?

Mr Belperio — Well, in South Australia if we have got a land access problem, whether it is native title or environment, or groundwater, we still have a first point of contact in the Geological Survey. They do the chasing up.

The CHAIR — That would not be your case manager?

Mr Belperio — We do not call them case managers, but — —

The CHAIR — Is it the same person who would deal with the other issues for you?

Mr Belperio — Yes.

The CHAIR — The original concept that we understood South Australia to have, or I understood sought to have, was a one-stop-shop which I felt was at a location where there may have been representatives from each of the departments.

Mr Belperio — No. It is a single person of contact. It is most commonly used for a development project rather than exploration because exploration pretty well tends to go off and do our own thing, but certainly if you are trying to get a mine approved, that is where the one-stop-shop principle comes in and you are given a development officer/case manager who basically acts as the front for all the regulatory requirements that you are going to need for that mining lease.

The CHAIR — The critical thing there would be an experienced person.

Mr Belperio — Yes.

The CHAIR — Okay.

Mr Noonan — I was interested in your comments about Victoria and your interest from a copper point of view and you talked about regulation and the red tape and the like, but you sort of made the point that the geological argument is now starting to outweigh the regulation so that is why you are having a closer look. One of the terms of reference that we have as a committee which we have not received a lot of evidence on is this issue of the fees, charges and royalties, and again given you are in multiple jurisdictions, I wonder if you could make some comments to us about where you see Victoria placed and in terms of improving, if you like, the processes for which the Victorian Government might operate or assist greenfields exploration activity, whether or not you would see that royalties, fees and charges could be better used to fund services to make exploration activities more efficient.

Mr Belperio — Yes. Certainly speaking just as an explorer, we do not worry too much about royalties. That is really once you have made a discovery, then you start to — —

The CHAIR — It is a bit like tax.
Mr BELPERIO — It is copper and gold which determines what the combined royalty is going to be. It does not feature in your exploration decision-making at all. Unless there was something doubled or tripled, you just rule that one off. So no, that one does not feature. General fees and charges do not seem to vary too much from state to state. You know, usually a few thousand dollars for an annual renewal fee, so it is not a big issue.

Mr NOONAN — Thanks for making that absolutely clear because it might now explain why a number of the submissions we have are not going to that issue because it does not, perhaps, seem like it is an issue. I suppose you are confirming that to us in a reasonably frank way. One of the issues in Victoria is this issue of potential competing interests for land use and I think you alluded to it in your submission and Victoria compared to South Australia is a bit like comparing apples and oranges given the concentration of agricultural land compared to what you might perhaps face here in South Australia, but to what extent does a push from, let’s say the agricultural community farmers and the like, to protect, you know, essentially prime pastoral livestock lands, the push to protect that from any form of exploration impact on your decision to go into the various jurisdictions and to seek to undertake greenfields activity, exploration activity.

Mr BELPERIO — What has been happening in the last few months is very disappointing from an exploration point of view where a lot of publicity is driven by the coal seam gas exploration effort where landowners are jumping up and down saying ‘This is prime land, you cannot have exploration, you cannot destroy our land’, and nothing can be further from the truth. As an explorer we know that we have to return the land as it was. We are not going to go and destroy prime agricultural land. It does not happen. As an explorer we need a reasonably large area to work over but our footprint is very small. So a typical licence in Victoria is only 300–400 square kilometres. You might only go on one property and drill one hole. So to try and come up to counter the argument of the agriculturalist, the Government is coming up with all sorts of new compulsory agreements which create an enormous amount of red tape for us, but in the end only act to discourage us which does not worry the farmers. They say: ‘Good, they have gone’. So it is becoming a major issue.

Mr NOONAN — And you see that as a potential impediment for future exploration potentially if that sort of a direction takes hold.

Mr BELPERIO — Yes.

Mr NOONAN — Okay. Just a final question I have, then, is really about the land access issue and, indeed, again from a Victorian perspective it is something that we have had many submissions about and perhaps, it being fairly critical in the Victorian context, about the lack of information available to landholders in relation to exploration activities. In South Australia I notice that you have got a notice of entry arrangement, there are formal notices. Can you just explain again from an exploration point of view whether more information and that formal notice process is actually in your view a better way as opposed to doing business as opposed to essentially the Victorian model where I think the requirements of miners might be to simply advertise in the local paper and the daily paper which is a difficult way for people to find information out.

Mr BELPERIO — The notice of entry, you know, also has its problem when you are dealing with a reasonably dense area like the Adelaide Hills here. In the pastoral districts notice of entry is very easy. You know, you usually only serve one or two property owners. You will serve it by driving up, having a cup of tea with them, chatting to them about what you intend to do, asking them, you know, what areas and what time of the year you are not welcome there. You basically settle it over a cup of tea and then say: ‘This is the statutory form, you just need to sign that’ and everything is fine.

Mr NOONAN — Have you been refused?

Mr BELPERIO — On pastoral properties? No, but having said that in Cloncurry we are starting to meet some resistance. Queensland — just on 1 July I think — changed theirs requiring written consent from landowners and pastoralists. We are having a lot of trouble there.

Mr FOLEY — For exploration, is that the back of coal seam gas?

Mr BELPERIO — No. This was in Cloncurry, but it was as a result of the coal seam gas negativity that changed the whole issues.
The CHAIR — Everyone’s hackles are up.

Mr Belperio — Yes.

Mr Foley — Do you see that being dealt with more effectively at a state or national level?

Mr Belperio — I think it has to be at a state level. I cannot see how it works at a national level. The State basically controls the pastoral licences, the exploration licences, et cetera.

Mr Noonan — There is no other copper mining in Victoria, is there?

Mr Belperio — No. There are a couple of small resources found in western Victoria, Ararat. There are about two or three smallish ones — nothing economic — but enough to tell you there is something going on there.

Mr Noonan — So you are looking for essentially a big discovery.

Mr Belperio — Yes.

Mr Noonan — And are you in a bit of a race as such in a competitive way within your sector on these sorts of issues?

Mr Belperio — Well, it is not a race. You are always trying to be at the forefront of new ideas, new concepts so that you get into that ground first, otherwise once that ground has gone, it is gone if somebody has pegged it.

Mr Noonan — Thanks.

The CHAIR — Thank you very much for your submission and for your oral presentation. We greatly appreciate it. In a couple of weeks you will receive a transcript of today’s proceedings. Feel free to change any typographical errors, but nothing to do with the substance. You will hear from us shortly. So thank you very much.

Mr Noonan — Thanks, Tony. That is terrific.

Witness withdrew.