

18 July 2013

Senator Ursula Stephens
Chair
Foreign Affairs, Defence and Trade Committee
Department of the Senate
PO Box 6100
Parliament House
Canberra ACT 2600
Australia

By email: fadt.sen@aph.gov.au

Dear Senator,

Submissions on the Defence Legislation Amendment (Woomera Prohibited Area) Bill 2013 (Cth) ("the Bill")

I am writing on behalf Southern Iron Pty Ltd and Central Iron Pty Ltd which operate and/or have mining interests in the Woomera Prohibited Area ("**WPA**") - both companies are part of the publicly listed Arrium Limited Group ("**Arrium**").

It is certainly appreciated by Arrium that it has this opportunity to make submissions on the Bill to this Senate Committee. As you may know, Arrium has a significant mining and exploration presence in the WPA and therefore the arrangements for access to the WPA are of great interest and importance to Arrium.

The proposed new scheme to regulate access to the WPA is contained in the Bill and the Draft Woomera Prohibited Area Rules 2013 (Cth) ("**Rules**"). Arrium has been aware of this proposed new scheme for a while now and it appreciates the ongoing information and consultation/submission processes for this new scheme (and the precursor exploration deed of access template) as provided by the relevant Commonwealth Departments through the auspices of the Woomera Prohibited Area Coordination Office ("**WPACO**").

There are four particular submissions that Arrium would seek to make to the Foreign Affairs, Defence and Trade Committee.

First, Arrium strongly supports this proposed new scheme to regulate access to, and co-existence within, the WPA. It is Arrium's submission that this legislation-based scheme is characterised by the following major advantages:

- it strongly implements the co-existence principles of the Hawke Report, including a conditional presumption of access to the WPA for non-Defence users (see Section 17 of the Rules);
- it has high levels of transparency about the issue of access to the WPA which is very positive for investment confidence and perceptions about regulatory certainty;

- it is a scheme that has a high level of flexibility which enables the multitude of stakeholders and circumstances in the WPA to be managed appropriately and on a case-by-case basis; and
- it contains thorough merits review mechanisms which should help ensure that the inherent, but reasonable, flexibility of the scheme can always be tested (if necessary) to ensure that it is being administered reasonably in all the then-current circumstances.

Secondly, given the significance of the reviewability of decisions for this particular legislative scheme (as discussed above), it is Arrium's submission that it would certainly be preferable if s.72TP(2)(b) of the Bill could be redrafted along the following lines to ensure the reviewability of all decisions:

"Without limiting subsection (1), the Rules:

(a) may ...

(b) must make provision for, and in relation to, the review of all decisions made under this Part or the Rules."

[emphasis added to identify nature of change proposed]

Thirdly, Arrium would expect that it is more than probable that the Rules will need to be amended over time for any number of possible reasons ranging from unexpected major issues through to administrative enhancements. Given this, and given that the Rules contain much of the important detail about access to the WPA, Arrium sees it as critical that the current drafting of s.72TP(1) of the Bill be maintained to provide a critical, second voice via the Resources Minister on the content of the Rules.

Finally, it is our experience since commencing our activities in the WPA almost two years ago that co-existence is certainly achievable, primarily because over that time the Department of Defence (with and through the assistance of WPACO) has been continually improving and tailoring the arrangements for access.

In reference to the Committee's guidelines about the making of written submissions, I can advise that this submission has been authorised by myself and that my position reports directly to the Managing Director and Chief Executive Officer of Arrium.

Please contact me if you have any queries in relation to these submissions.

Yours sincerely,

Greg Waters
Chief Executive