



NORTHERN TERRITORY GOVERNMENT

The Secretary
Senate Standing Committee on
Environment, Communications and the Arts
PO Box 6100
Parliament House
CANBERRA ACT 2600

In response to the "Inquiry into Forestry and Mining Operations on the Tiwi Islands", the following information is offered. In providing this information, note that your Committee has already completed an *Inquiry into Australia's Indigenous Visual Arts and Crafts Sector* and the Northern Territory Government made a submission to that Inquiry.

- a. As you will be aware, the environmental approvals and conditions for the forestry operations fall within the jurisdiction of the Australian Government. In relation to mining and by way of background, the authorisation to Matilda Minerals Limited received Commonwealth approval in 2006 and was subsequently authorised under the NT *Mining Management Act*. The project was for the extraction of the heavy minerals zircon and rutile, to be exported directly from Port Melville to China. Following damage to the Port Melville wharf and its subsequent closure, the mining operator notified the Department of Regional Development, Primary Industry, Fisheries and Resources that it was going into care and maintenance mode. Its Mining Management Plan was amended to reflect this change in operational status. In October 2008, Matilda Minerals Limited was placed into voluntary administration. Therefore, there are no active mining operations on the Tiwi Islands; however, this does not preclude future interest, such as through any takeover of Matilda Minerals Limited.
- b. If your Committee requires any additional information that will assist in its consideration of governance arrangements including consent and approval processes, insofar as it relates to mining operations, facilitation of that information can be provided.
- c. The establishment of these arrangements has been a matter for the parties concerned and not one that has involved the Northern Territory Government.

- d. Your Committee's consideration of the economic opportunity costs associated with existing developments including forestry operations is difficult due to the paucity of economic data for alternative activities. In assessing the benefits of the forestry operations, your consideration of the full range of benefits which accrue to the Tiwi people will not only take into account the land leasing arrangements, but also include consideration of the subcontracting and flow-on business arrangements, through forestry management and ranger activities.
- e. An assessment of the prospects for alternative economic development opportunities is also best approached in a benefit/cost framework. The signing of the Nguiu Township 99-year township lease with the Australian Government in 2007 offers the Tiwi people greater opportunity for new entrepreneurial activity and should pave the way for private sector investment. Wild fishing and aquaculture also offer potential for the Tiwi people. Marine Produce Australia Limited announced in early March 2009 that it had commenced a three-month exclusive due diligence arrangement with the Tiwi Land Council to investigate a new barramundi farming operation. Sourcing hard data to inform economic benefit/cost in the other areas listed in your Terms of Reference is similarly difficult to d above. The report arising from the *Inquiry into Australia's Indigenous Visual Arts and Crafts Sector* points to some of the difficulties in assessing the economic potential of alternative development activities. In the area of sale and promotion of cultural products, community development activities and land and sea management, individual case studies of those Tiwi people and enterprises currently and profitably engaged in such activities may yield the most useful information. The benefits which may be afforded to Indigenous people through carbon trading and emissions offsets schemes, is tied to the design of such schemes and the results of international negotiations.

Dated:

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