



COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

**HOUSE OF
REPRESENTATIVES**

STANDING COMMITTEE ON INDUSTRY AND RESOURCES

Reference: Developing Australia's non-fossil fuel energy industry

MONDAY, 24 OCTOBER 2005

DARWIN

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

INTERNET

The Proof and Official Hansard transcripts of Senate committee hearings, some House of Representatives committee hearings and some joint committee hearings are available on the Internet. Some House of Representatives committees and some joint committees make available only Official Hansard transcripts.

The Internet address is: **<http://www.aph.gov.au/hansard>**

To search the parliamentary database, go to:
<http://parlinfoweb.aph.gov.au>

HOUSE OF REPRESENTATIVES
STANDING COMMITTEE ON INDUSTRY AND RESOURCES

Monday, 24 October 2005

Members: Mr Prosser (*Chair*), Mr Hatton (*Deputy Chair*), Mr Adams, Mrs Bronwyn Bishop, Mr Cadman, Mr Martin Ferguson, Mr Haase, Mr Katter, Miss Jackie Kelly and Mr Tollner

Members in attendance: Mr Adams, Mrs Bronwyn Bishop, Mr Cadman, Mr Martin Ferguson, Mr Katter, Miss Jackie Kelly, Mr Prosser and Mr Tollner

Terms of reference for the inquiry:

To inquire into and report on the development of the non-fossil fuel energy industry in Australia.

The Committee shall commence its inquiry with a case study into the strategic importance of Australia's uranium resources. The case study shall have particular regard to the:

- a) global demand for Australia's uranium resources and associated supply issues;
- b) strategic importance of Australia's uranium resources and any relevant industry developments;
- c) potential implications for global greenhouse gas emission reductions from the further development and export of Australia's uranium resources; and
- d) current structure and regulatory environment of the uranium mining sector (noting the work that has been undertaken by other inquiries and reviews on these issues).

WITNESSES

DALY, Mr John, Chairman, Northern Land Council.....	19
FRY, Mr Norman, Chief Executive Officer, Northern Land Council.....	19
HENWOOD, Mr Neville, Executive Committee Member, Northern Territory Minerals Council Inc.	32
JACKSON, Mr Richard, Acting Director of Compliance, Mining and Petroleum Compliance Division, Minerals and Energy Group, Northern Territory Government	58
KENYON-SLANEY, Mr Harry, Chief Executive, Energy Resources of Australia Ltd.....	46
LEVY, Mr Ron, Principal Legal Officer, Northern Land Council	19
MATTHEWS, Dr Ron, Executive Committee Member, Northern Territory Minerals Council Inc.	32
PURICK, Ms Kezia, Chief Executive, Northern Territory Minerals Council Inc.	32
ROBERTSON, Mr Peter, Coordinator, Environment Centre of the Northern Territory	1
SCOTT, Dr Gary, Freshwater Project Officer, Environment Centre of the Northern Territory	1
SELLARS, Mr Richard James, Acting Executive Director, Minerals and Energy Group, Northern Territory Government	58
SHELDON, Mr John, Senior Policy Officer, Northern Land Council	19
SMITH, Mr Howard, Special Projects Officer, Environment and Engineering (Jabiru), Northern Land Council	19
TAYLER, Mr Keith Thomas, Acting Uranium Adviser, Mining and Petroleum Compliance Division, Minerals and Energy Group, Northern Territory Government	58

Committee met at 2.26 pm**ROBERTSON, Mr Peter, Coordinator, Environment Centre of the Northern Territory****SCOTT, Dr Gary, Freshwater Project Officer, Environment Centre of the Northern Territory**

CHAIR (Mr Prosser)—I am pleased to declare open the eighth public hearing of the House of Representatives Standing Committee on Industry and Resources inquiry into the development of the non-fossil fuel energy industry in Australia. The committee has commenced its inquiry with a case study into the strategic importance of Australia's uranium resources. The inquiry was referred to the committee by the Minister for Industry, Tourism and Resources, the Hon. Ian Macfarlane, on 15 March 2005.

The committee is pleased to be in Darwin and to welcome representatives from environmental and Indigenous groups, mining companies and the Northern Territory government. First up, I thank the representatives of the Environment Centre of the Northern Territory for agreeing to appear and give evidence before the public hearing today. Although the committee does not require you to give evidence under oath, I should advise you that the hearings are formal proceedings of the parliament. I remind you that the giving of false or misleading evidence is a serious matter and may be regarded as a contempt of parliament. I also remind you that the committee prefers that all evidence be given in public. However, at any stage you may request that your evidence be given in private and the committee will consider your request. I now invite you to make a short opening statement before we proceed to questions.

Mr Robertson—Thank you. We would both like to make a short opening statement of approximately five minutes each. The Commonwealth has said that it intends taking over the approval of new uranium mines in the Northern Territory but the Commonwealth has shown over many decades that it cannot be trusted with uranium mines in the Northern Territory. From Rum Jungle to Ranger and Koongarra to Jabiluka, the Commonwealth has always put commercial gain and perceived political and strategic interests ahead of the environment, Indigenous people, public health and safety and future generations.

Turning firstly to Rum Jungle, long-term pollution and environmental degradation has resulted from the Rum Jungle uranium mine, which was established in 1954 by the Commonwealth government. Despite reports as early as 1960 that the mine was releasing large amounts of toxic heavy metals and other pollutants, causing tree deaths and fish kills along the Finnis River, no effective action was taken by the Commonwealth or the mining company to clean up the mine. As a result, thousands of tonnes of potentially toxic pollutants such as copper, zinc, manganese, lead sulphate, uranium and radium were, and continue to be, washed into the Finnis River and adjacent wetland environments. A Senate inquiry in 1970 said:

One of the major pollution problems in the NT is that caused by copper and uranium mining at Rum Jungle ...

It said that mine pollution:

... has made the Finnis River unsuitable for stock or human consumption for a distance of 20 miles. Vegetation on the river banks has been destroyed and it will be many years before this area can sustain growth.

Even after the mine eventually closed in 1971, and in all the years since, no effective action has been taken to stop mine pollution discharging into the Finnis River. Rehabilitation projects in the 1980s have reduced the rate of pollution, but this is likely to be only temporary, especially if, as the Commonwealth desires, a new uranium and base metals mine is opened at Rum Jungle.

Like Rum Jungle, Ranger demonstrates that the Commonwealth is not fit to approve or regulate uranium mines in the Northern Territory. The Ranger mine was established by the Commonwealth in 1979, against the wishes of the area's traditional owners. Since then the Commonwealth government and the Territory government have been responsible for the regulation of the mine through a confused tangle of legislation, ministerial agreements and bureaucratic processes.

As documented in some detail in the submission to this inquiry from the Gundjehmi Aboriginal Corporation, the Ranger uranium mine is a regulatory mess which has marginalised the local Aboriginal people and contributed to the long-running mismanagement of the mine. This mismanagement has resulted in over 200 documented leaks, accidents and breaches, as well as chronic problems with mine water management. Studies show that the mine has caused and continues to cause impacts on the environment, most notably the elevated levels of a number of potentially toxic contaminants downstream of the mine.

In addition to the surface water pollution caused by Ranger, there are grave concerns about groundwater pollution arising from the leaking tailings dam, which is causing a contaminated groundwater plume containing elevated levels of heavy metals, saline water and some radionuclides. This plume is a significant legacy of the mine and at some stage could contaminate the surrounding Kakadu National Park and World Heritage area. Despite longstanding concerns over ongoing pollution and water management failures at the mine, it was not until this year—26 years after the mine commenced—that a waste water treatment plant was approved for the mine. Just what the lasting effects on ecosystems and people will be from the Ranger mine will take some time to become clear, given the lack of high quality benchmark studies and the fact that the tailings at Ranger will remain dangerous for tens of thousands of years.

In addition to the environmental impacts of poor management at Ranger, there have been many accidents that have impacted on workers at the mine. Recently the Ranger mine operator, Rio Tinto subsidiary ERA was successfully prosecuted in the Darwin Magistrates Court for the so-called potable water incident at Ranger last year when dozens of mine workers drank or showered in water contaminated with uranium at levels 400 times the recommended maximum level for drinking. In its 'Precis of Facts' submitted to the court, the Northern Territory government said investigations had found:

... the poor condition of the process water system and associated infrastructure was immediately obvious upon entering those areas. Leaking pipes were common. The FOB Scrubber itself had a significant process water leak. The valve handle on the potable water hose point was broken and corroded to the extent that one needed to hit it with a brick to open or close it. What appeared to be a temporary hose connection, that was leaking quite significantly, was observed in the Grinding Building. The colour of some pipes to identify what they contain was very difficult to determine due to a build up of rust and grime on them. It was the opinion of the Supervising Scientist that a major refurbishment of the process water system was required to bring it up to a satisfactory standard.

You would have to ask how that was ever allowed to happen.

Despite the mine's poor record and findings like this the Commonwealth, apart from some bandaid measures, continues to largely ignore its responsibilities in relation to the regulation of Ranger uranium mine. The Commonwealth continues to ignore the clear and strong findings and recommendations of the recent Senate inquiry into Ranger and other uranium mines, again showing that it is not interested in protecting the environment, workers or the community in relation to uranium mines in the Northern Territory.

In relation to the proposed new uranium mine at Koongarra in Kakadu, in 1999 the Commonwealth said it supported a recommendation from the World Heritage Bureau to commence negotiations with the traditional owners with a view to incorporating the proposed mine area into Kakadu National Park. Once again, years later, this still has not been done, meaning that this outstanding natural and cultural environment remains exposed to the threat of uranium mining by a French government owned corporation.

In conclusion, the federal government has seen fit to override the Territory public and democratic processes and announce that it is taking over the approval of new uranium mines in the Territory. Not only does the Commonwealth lack the legislation necessary to open, operate or regulate any new uranium mines in the Northern Territory, over the past 50 years it has shown by its record of irresponsibility, negligence and bad faith that it is not fit to approve or regulate any new uranium mines in the Northern Territory.

Dr Scott—The Environment Centre would like to take this opportunity to present the committee with a challenge. We ask that the committee puts forward a recommendation in its final report that the enormous amount of Commonwealth effort that is currently going into promoting and subsidising the nuclear and fossil fuel industries in Australia be similarly put into the promotion and support of the renewable energy and energy efficiency sectors. Until these alternative options have been given a fair hearing, the expansion of the uranium sector, either via the opening of new mines or the expansion of existing ones, should not be contemplated.

It would, in our view, be negligent of the committee to endorse an expansion of uranium exports to, say, China, without conducting a thorough examination of the opportunities for, and benefits of, renewable energy technologies and energy efficiency measures, both in Australia and overseas. Indeed, we would go further and encourage the committee to recommend the redirection of Commonwealth funding currently aimed at facilitating the expansion of the coal and uranium sectors towards the renewable sector as well as into reducing base load electricity demand. Only then, when the alternatives have been given a fair go as well as a fair hearing, will Australians really be able to see how well they stack up.

At present, it has been calculated by the Institute of Sustainable Futures that the fossil fuel industry as a whole in Australia benefits from subsidies worth \$8.9 billion every year. Meanwhile, the Liberal Party committed at the 2004 election to just \$300 million of funding for renewable energy, whilst the MRET target has remained at a paltry two per cent. Elsewhere, as Professor Ian Lowe pointed out at a recent speech to the National Press Club, the nuclear industry has received massive government subsidies. During the first 15 years of development in the United States, nuclear received subsidies amounting to \$15.30 per kilowatt hour, whilst during its first 15 years the wind industry received just 46c per kilowatt hour. These huge

imbalances towards dangerous, polluting and greenhouse intensive fuels need to be urgently addressed.

There are numerous studies that have been conducted in Australia and overseas demonstrating that renewables and energy efficiency are the more sensible energy options to pursue, rather than nuclear, coal, oil and to some extent gas. The Australia Institute study in 2002, for instance, mapped out how a 60 per cent reduction in greenhouse gas emissions could be achieved in Australia by 2050 through a mix of photovoltaic, wind, cogeneration from biomass, hydro-electricity and energy efficiency measures. Australia could get 10 per cent of its electricity from wind without major modifications to the electricity grid.

We might add that China too, whilst currently building new nuclear power stations, is even more aggressively pursuing the renewables option, legislating earlier this year that 10 per cent of its energy consumption must derive from renewable sources by 2020—that is twice as much energy from wind and solar as it is from nuclear. Instead of encouraging China to expand its nuclear and coal-fired generation, Australia could be latching on to the renewables expansion and exporting wind turbines, solar panels and expertise. Sadly, we are getting left behind in that field.

Energy efficiency measures to reduce base load demand, particularly the peaks caused by excessive use of air-conditioners, should also be adopted with much greater vigour. The Australian Ministerial Council on Energy has identified that energy consumption in the manufacturing, commercial and residential sectors could be reduced by 20 to 30 per cent with the adoption of current commercially available technologies. The Cool Communities program has consistently shown that, with little more than the provision of good advice, households here in Darwin and in Alice Springs can easily reduce their greenhouse emissions by 1.5 to 2 tonnes per year.

The Environment Centre has been proud to be associated with this program since its inception in 2001. Cool Communities was federally funded up until last year when the program was discontinued. It is now up and running only in the Northern Territory, after the Territory government stepped in with additional funding, under the new name of CoolMob. If this committee is serious about reducing global greenhouse gas emissions, and we take from its previous statements that it is, then there are more immediate, cost-effective and environmentally and socially sustainable options that can be pursued, rather than wasting time, money and resources heading off towards the nuclear dead end.

Finally, we would like to make a couple of observations about some of the carbon dioxide abatement figures that have been bandied about by advocates of the nuclear option. The methodologies of life cycle analysis are still being vigorously debated in the scientific community. Whilst the IAEA study quoted by the Minister for Foreign Affairs, Alexander Downer, in his submission to this committee suggested that carbon dioxide emissions from nuclear power are equivalent to wind and solar, other studies have estimated much higher life cycle emissions from nuclear generation. The committee may also be aware of the late-nineties Oeko-Institut study in Germany that showed that alternative energy sources were three to four times less costly as a means of reducing carbon dioxide than nuclear power.

We would like to close our opening statement with a quote from the 2004 AMP Capital Investors nuclear fuel cycle position paper:

Nuclear power and the uranium industry are neither financially nor environmentally sustainable ... It is critical that the nuclear industry does not manipulate the climate change threat to divert government policy and finance away from the intrinsically safe renewable sources of electricity.

The Environment Centre can wholeheartedly endorse this statement, and we again challenge this committee to give the renewable and energy efficiency options a fair go.

CHAIR—Thank you. I want to pick up on the last part of your introductory statement. The committee has received evidence that nuclear reactors currently operating around the world avoid 2.5 billion tonnes of carbon dioxide emissions each year and that every 22 tonnes of uranium used saves one million tonnes of CO₂ emissions relative to coal. Do you agree with these figures and what is your assessment of their significance?

Dr Scott—I am not aware of the source of those figures.

CHAIR—We had them from the Uranium Information Centre, and quite a few others have quoted the figures in regard to the benefits of CO₂ emissions from nuclear power generation as opposed to other fossil fuels.

Dr Scott—I caution against using figures just plucked from the Uranium Information Centre, which is a uranium industry advocate group. I suggest that you get some independent advice. There is a lot of discussion in the scientific community—

CHAIR—So you do not have any advice to refute those figures?

Dr Scott—There are plenty of other studies that I can point the committee towards—

CHAIR—They have made that statement. What I am looking for is whether you have any evidence to refute those figures?

Dr Scott—Unless I can see the source of those figures and analyse them, I cannot really comment on them. But I can point the committee towards other studies, such as the Oko-Institut study, which point to nuclear power, over its full life cycle, having a carbon dioxide equivalent emissions rate of 34 grams per kilowatt hour, whereas wind has something like 20 grams per kilowatt hour. In that study wind was less than nuclear.

CHAIR—But you cannot use wind for base load power, can you?

Dr Scott—What you can do is create a more flexible electricity system where there is a range of electricity options. We feel that nuclear should not be one of those options. There are other ways of creating base load power through the use of efficient combined cycle gas turbines as a transition away from fossil fuels. At the same time, we have to be reducing electricity demand drastically—

CHAIR—You admit that even gas has certain CO₂ emissions?

Mr Robertson—But it does not have radioactive waste.

Mr ADAMS—To come back to that issue of base load that the chairman raised, the evidence that we have received as a committee and the knowledge that we have is that to replace coal-fired power stations or nuclear power stations to produce base load power there are no renewables heading up at the moment. Can you give us any information in relation to that—some real facts, not just assertions—about how you can replace a coal powered power station or a nuclear power station with base load power that can drive manufacturing industry?

Dr Scott—Again, all I can say is that natural gas can do that to some extent as long as it is combined cycle and it is efficient natural gas. That is the way that a number of economies are going around the world. I also have to add that natural gas is a significant emitter of greenhouse emissions and so in the longer term we advocate moving away from natural gas as well. In the short and medium term it can play a role in providing base load power, but I emphasise that there needs to be a much greater commitment to reducing energy demand, electricity demand, in Australia and around the world.

Miss JACKIE KELLY—You made a statement that you can get up to 10 per cent of your energy from wind. At the moment in Australia we have had evidence that it is less than two per cent, combining hydro, wind and solar.

Dr Scott—I thought that hydro, solar and wind combined was closer to eight per cent but I may be wrong on that.

Miss JACKIE KELLY—I thought it was two per cent but I can double-check that. You are then mentioning natural gas as an interim step. Have you thought about hydrogen? You are making a statement that nuclear power is more dangerous and expensive than comparable base load energy sources. Various people are saying that uranium has an unmatched safety record in terms of injuries to people and fatalities et cetera.

Dr Scott—Like Chernobyl, for instance.

Miss JACKIE KELLY—Compared to those other ones. You know the issues with base load power sources. I do not think people are going to stop using their airconditioners in the middle of the day, although you have had some success in Darwin. Are there concrete things we can go to?

Dr Scott—There are people who are more qualified than I am to talk about some of the—

Miss JACKIE KELLY—What is your PhD in?

Dr Scott—My PhD is in geography, particularly human geography and looking at the social impacts of various resource developments. I have also lectured at Charles Darwin University in social impact assessment and Indigenous resource management. However, I have over the past few years analysed greenhouse issues especially to do with natural gas development in Australia.

Miss JACKIE KELLY—The Environment Centre has been very critical of the Commonwealth's role in its oversight of its regulations. You mentioned a water processing system that needed a total refurbishment. It had been overlooked and we had workers showering

in nuclear waste. The Auditor-General has recently been very critical of ARPANSA. Have you got any recommendations for ways the Commonwealth could approach that sort of oversight that would be more satisfactory?

Mr Robertson—A very good place to start would be the findings and recommendations of the recent Senate inquiry into the mismanagement and misregulation of Ranger and other uranium mines around Australia.

Miss JACKIE KELLY—And who would you put in charge of oversight? It would be still the Commonwealth government and public servants, wouldn't?

Mr Robertson—Yes, but there has to be greater arm's length. One of the concerns that we have had, for example, is that over the years there has been quite a steady flow of personnel between senior management of the Office of the Supervising Scientist and the uranium mining company itself and also the Northern Territory Department of Mines. So you have what can appear to a bit of a revolving door happening, where you have got the regulators moving off to work for the company and then company people going off to work for the regulators and it all starts to become pretty murky. That would probably be one area that needs some attention.

Miss JACKIE KELLY—Anything else? That is a good one, but have you got any other ideas?

Mr Robertson—Basically, you need a strong regulator that is open and transparent, does not have conflicts of interest, is not subject to manipulation by the government or minister of the day, and does its job diligently. So far, we are still waiting to see that in relation to uranium mines in the Northern Territory.

Miss JACKIE KELLY—Are you a member of the Alligator Rivers Region Advisory Committee?

Mr Robertson—The Environment Centre is a member, yes.

Miss JACKIE KELLY—Do you find that an effective forum for bringing forward these sorts of occupational health and safety environmental issues?

Mr Robertson—Only in a very superficial way. A lot of the real decisions and the information that the decisions are based on is not really made available to us or is not readily available, so often the Alligator Rivers Advisory Committee is basically where departments or the company tell us what they have decided to do. We sit there and, if we know enough about the issue at hand, we raise objections to it, or else we just see what happens down the track. On the evidence, a lot of the things that they agree to do do not turn out how they were supposed to, and then we have to make a song and dance about it.

Miss JACKIE KELLY—So you would like a greater FOI capability for a forum like that?

Mr Robertson—If you are looking at that, I think you should start at the submission by the Gundjehmi Aboriginal Corporation, because they go into great detail on the failings of the processes that are in place at the moment in terms of involving people other than the mining

industry and the government regulators. They talk in detail about the flaws in the existing arrangements, how they have marginalised traditional owners and the wider community, and also what needs to be done to correct that. So the information is there in the submissions that have been made, and we wholeheartedly endorse them.

Mr TOLLNER—I do not think the Gundjehmi association are giving evidence now, are they?

Miss JACKIE KELLY—They are not coming today, no.

Mr TOLLNER—They are not coming to the committee—they pulled out. So we cannot really check with the Gundjehmi association on that one.

Mr Robertson—It is in their submission.

Mr TOLLNER—Maybe we can talk to the Northern Land Council about what the traditional owners think.

Mr Robertson—Who knows?

CHAIR—Jackie, have you finished your questions?

Miss JACKIE KELLY—I have one more question. You mentioned the Rum Jungle example. You were saying that today the waste water treatment plant is a step in the right direction. After 20 years, you are finally getting a waste water treatment plant.

Mr Robertson—That is at Ranger?

Miss JACKIE KELLY—Yes. You were going right through the history of uranium. You can go through the history of most industries where it is fairly dirty, but, as of today, with all of those safeguards in place in transporting, waste disposal and all of those options, how do you feel that uranium compares to, say, coal as a safe one?

Mr Robertson—That is a very hard question to answer. All these industries are inherently very dirty and very dangerous, with long-term environmental and human social consequences which have never been properly accounted for. There are improvements, we would say, on the margins in many cases to those industries, but the fundamentals have not really changed. The radioactive waste that has been produced at the Ranger uranium mine is going to remain radioactive for the next several hundred thousands or millions of years, regardless of whether or not a waste water treatment plant is established. It was a great thing that, for the first time ever, ERA was actually taken to court and prosecuted a little while ago and had to pay the grand sum of a couple of hundred thousand dollars in fines. It was very good to have that finally happen and, hopefully, the company might clean up its act a bit further in response to that. But, going on the evidence submitted by the Office of the Supervising Scientist and others, the company has to do an enormous amount of work just to get it up to even a minimum standard of responsible conduct.

Mr TOLLNER—You say the uranium industry is dirty and dangerous and it has a very poor environmental and social record. I am from central Queensland. When I was growing up, every

few years a few people would be killed in underground coalmine explosions. It is my understanding that since the mid-seventies there have been 200-odd deaths in Australia from coalmining, and several thousand around the world. Gas and LPG transportation have killed many thousands of people. Dr Scott, you referred to Chernobyl. I think the statistics show around 50 deaths have arisen from Chernobyl and none from Three Mile Island. I just wonder what makes you so sure of your assertion that this is a more dangerous industry than the fossil fuel industry.

Dr Scott—I do not know that this is the place to get into a debate about how many people have died from Chernobyl. That is still contested. Whether it is—

Mr TOLLNER—But is it many thousands? How does it compare to the numbers from coal or gas?

Dr Scott—Yes, over the long-term—

Mr TOLLNER—What evidence do you have of that?

Dr Scott—I suggest you read a report that has recently come out from the Climate Action Network Australia and other environmental groups, such as Friends of the Earth, called *Nuclear power: no solution to climate change*. That goes into that question of possibly how many deaths there were from Chernobyl and how difficult it is with epidemiological studies to attribute particular deaths to Chernobyl. But over the long term, with the amount of radiation that was released, certainly we can expect a large number of deaths to be attributed to Chernobyl.

Mr TOLLNER—While we are on the subject of environmental groups, there are some prominent environmentalists—notably James Lovelock, the author of the Gaia theory and one of the first scientists to warn of global warming; Patrick Moore, the founder of Greenpeace—

Mr Robertson—He was not the founder, he was a co-founder.

Mr TOLLNER—co-founder of Greenpeace; and a trustee of a group you just spoke off, the Friends of the Earth, who is called Hugh Montefiore—who have all stated that without a rapid expansion of the nuclear energy industry there is going to be environmental calamity. I am just wondering what your response is to these environmentalists who make these assertions.

Mr Robertson—These matters were raised at the Melbourne hearings, and Jim Green and others have very adequately responded. Those are two or three people who have got their own views. Patrick Moore has not had anything to do with Greenpeace for a couple of decades. James Lovelock, as Jim Green pointed out in Melbourne, also supports using high-level radioactive waste to protect natural ecosystems, so you would have to question just where he is coming from. Certainly there are people who, from time to time, change their views, just as, for example, Malcolm Fraser is now very critical of many of the things that John Howard and the Liberal Party do. It does not necessarily mean that John Howard and the Liberal Party are wrong. People change their views over time. They are still only a tiny, tiny proportion of the people who have ever considered themselves to be, or have been called, environmentalists. The environment groups around the world are extremely solid in saying that we should not be wasting our time going back to nuclear; we should be going forward to renewable energy and energy efficiency.

Mr TOLLNER—Something that did concern me that I read in the letter was your item No. 4, that nuclear fuel is being turned into nuclear weapons in a growing number of countries around the world. Most people on the committee would be concerned about that, if that is the case. Can you tell me what evidence you have? What countries are hiving off their uranium to create nuclear weapons?

Mr Robertson—Part of the problem is that we may never know, because these things are, by their very nature, extremely secretive. But I believe the record shows that approximately 20 of the countries that have developed nuclear programs have gone on to use those programs to develop, or at least begin the process of developing, nuclear weapons. There are only half that number of acknowledged nuclear states, so there are quite a few others that are obviously dabbling in that area without necessarily having completely developed weapons.

There is North and South Korea, Japan potentially, Israel, Iraq and Iran. If you believe Mr Bush, Iraq was well on the way to producing nuclear weapons. The list goes on and it is growing all the time, and the more nuclear material we make available and the more plutonium there is floating around the world, whether it is through state programs or terrorist programs, the greater the risk of nuclear catastrophe. Even Donald Rumsfeld, who is a strong supporter of the Howard government, is on the record recently as expressing alarm about what is happening with China's nuclear weapons program and how secretive it is. Concerns have been raised before this committee—

Mr MARTIN FERGUSON—Are you implying that the US program is not secretive?

Mr Robertson—No, not at all. Submissions have been made to this inquiry that if we supply uranium to China then there is a very good chance that, even if the Chinese do not use our uranium in their nuclear weapons, we will simply displace their uranium from being used in nuclear power stations. They will put their uranium in the weapons and our uranium in the reactors. So, directly or indirectly, we are going to contribute—we are already contributing—to the proliferation of nuclear weapons around the world. There is no getting away from it.

Mr ADAMS—But there is no proof to that effect, is there? You cannot prove that assertion. If you can, please tell us, but it is an assertion.

Mr Robertson—The best qualified people in international weapons—independent people, Nobel prize winners, scientists, you name it—have all spoken out for decades about how nuclear programs are aiding and abetting the spread of nuclear weapons around the world. There is absolutely no dispute. There are dozens of expert reports written by the leading thinkers and scientists in the world.

Mr MARTIN FERGUSON—It is a different fuel cycle, isn't it?

Mr Robertson—What do you mean 'different'?

Mr TOLLNER—Different—it leaves a footprint that can be traced.

Mr MARTIN FERGUSON—Isn't the military fuel cycle, in terms of the production of the special grades of nuclear material required for that, substantially different to the civil programs,

such as nuclear power, because you are principally talking about plutonium and weapons grade uranium? Isn't that normally produced in dedicated plutonium production reactors, which are normally natural uranium fuelled and graphite moderated, where irradiated fuel can be removed after short irradiation times? The truth is that it is an entirely different fuel process, isn't it? You do not accept that?

Mr Robertson—It is a different process but it is not separate. The weapons capability and the nuclear power capability have been shown, over and over again, to grow up together.

Mr MARTIN FERGUSON—What improvements do you think should be made to the Nuclear Non-Proliferation Treaty by the global community? We are interested in this type of debate, because we could cease exporting any uranium from Australia. A lot of power stations are now being operated on the basis of secondary uranium, which is from old nuclear warheads, irrespective of whether there is an expansion of uranium mining in Australia or any country. There is enough uranium out there to actually produce a nuclear warhead. What should we be doing as an international community in terms of taking up the fight about the Nuclear Non-Proliferation Treaty? What improvements can we make?

Mr Robertson—Where would you start? There are so many different aspects to that question.

Mr ADAMS—It is not going away, is it?

Mr Robertson—No, but we are adding to it. That is one of the reasons why it is not going away, because we keep on adding to it every day.

Mr ADAMS—We can all make simplistic assertions, but sometimes decisions have to be made. We are asking whether you can help us find solutions. We are still in a debate here which we were having 20 years ago.

Mr Robertson—Every 1,000 megawatt reactor in the world is currently producing enough plutonium each year to create 40 new nuclear bombs.

Mr MARTIN FERGUSON—Can you therefore give me any evidence of where Australian uranium has been used for non-peaceful purposes? We have 19 bilateral agreements in place enabling us to export to, I think, 32 countries. Can you give me concrete evidence about where our uranium is being used for non-peaceful purposes?

Mr Robertson—Can you demonstrate the contrary—that it has not been?

Mr MARTIN FERGUSON—You are the people making the accusations, not me.

Mr Robertson—If there is any doubt that it has been, then we should not be doing it. And no-one can show that it has not been.

Miss JACKIE KELLY—Peter, would you be more comfortable—given that in all likelihood uranium mining is probably going to continue—

Mr Robertson—That remains to be seen.

Miss JACKIE KELLY—One of the suggestions has been for an investment in secondary technologies such that Australia, instead of selling the yellowcake, leases rods. You put your order in to Australia, we develop and make the rods for your reactor and then we lease them to you. Afterwards, we get them back. If you do not give them back, you do not get your next order. That would make sure that Australia—

Mr Robertson—What do we do with the rods when we get them back?

Miss JACKIE KELLY—That is the role that Australia has to play in this whole safety of uranium area. If you are not satisfied with yellowcake being shipped offshore because you have no idea where it is going, this would make it guaranteed. We lock it up, and you have a guarantee. That means you can say that it is certainly not Australian uranium, as our uranium is only going into the production of base load energy.

Mr Robertson—Every time you dabble with nuclear, whether it is mining or making fuel rods or getting into enrichment—whatever it is—you are simply contributing to the global problem. There is no way around it. The only thing that you can do that is a complete safeguard is to not be involved and to do everything that you can internationally to close down the nuclear industry.

Mr MARTIN FERGUSON—I am a bit worried. You have made some pretty serious accusations today about the regulator. We are obligated to investigate. Can you supply concrete examples and evidence, including the names of the people who have manipulated the process? What action have you taken as an environment centre to have these people charged under the Public Service Act? They are very serious charges. Can you supply that concrete evidence? We are obligated to investigate if you can substantiate it.

Mr Robertson—It is hard to know whether you are being fair dinkum with that question or not, Martin.

Mr MARTIN FERGUSON—I am. We have also, for example, raised questions about whether or not we need a national register of uranium workers.

Mr Robertson—If you want to know about incidents, then look at the Gundjehmi submission, in which they have documented over 200 incidents of breaches, spills, accidents, contamination—

Mr MARTIN FERGUSON—With all due respect—

Mr Robertson—They have not put names against them.

Mr MARTIN FERGUSON—I have had a look at it. But you have made an accusation today about the regulator, including personnel who move within the industry, manipulating and undermining accountability.

Mr Robertson—You are twisting what I said.

Mr MARTIN FERGUSON—No. This is a very serious accusation, which we are obligated to check out.

Mr Robertson—You are twisting what I said.

Mr MARTIN FERGUSON—I am asking you to supply the incidents and the names of who you suspect.

Mr Robertson—Okay. Here are the incidents. It is up to the Commonwealth as the regulator to investigate them.

Mr MARTIN FERGUSON—So you cannot substantiate the accusation?

Mr Robertson—The only time a prosecution has been attempted, it succeeded in the Darwin Magistrates Court. So maybe if the Commonwealth tried a bit harder they might have more success in bringing people to account.

Mr MARTIN FERGUSON—It is also fair to say that in recent times—since the change of ownership—there has been a genuine endeavour to actually clean up the operation of Ranger uranium, isn't it?

Mr Robertson—Which change of ownership was that?

Mr MARTIN FERGUSON—Rio Tinto. Since then, there has been a genuine endeavour to clean up the act out at Ranger, hasn't there?

Mr Robertson—Going on what the OSS said when they did their investigation a few months ago, it would seem not. They found the most extraordinary range of glaring failings in the way that the process operates and the facility is maintained.

Mr MARTIN FERGUSON—I have one further question. There is going to be a substantial growth in base load power requirements world wide. I have no problems with renewables. Use of them is up to eight per cent. The UK is struggling to reach about 10 per cent at the moment. They want to reach 20, and there is a question as to whether they can do it. One is not exclusive of the other. You seem to have problems with us exporting coal too.

Dr Scott—Coal, obviously, is one of the greatest contributors to greenhouse emissions around the world. It remains to be seen whether the so-called clean coal technologies can make any difference. I suspect not. Geosequestration is obviously an unproven technology. Therefore, Australia should not be exporting as much coal as it is. Australia should not be contributing to the global greenhouse problem.

Mr MARTIN FERGUSON—So you think we should now be basically starting to reduce coalmining in Australia and coal exports?

Dr Scott—Yes, I do. And that would involve a just transition for the coal communities that are dependent on coalmining. There has to be a transition, as happened in the United Kingdom—that

was not a just transition, obviously, under Thatcher, but there needs to be a program to move the Australian economy away from its coal dependency.

Mrs BRONWYN BISHOP—Dr Scott, when you were saying what your qualifications were, I was not quite sure what your scientific qualification was. Could you explain that to me? I think it was in human geography?

Dr Scott—That is correct.

Mrs BRONWYN BISHOP—Is that a kind of town planning?

Dr Scott—That encompasses some of it.

Mrs BRONWYN BISHOP—But you do not have a scientific degree?

Dr Scott—It is social science.

Mrs BRONWYN BISHOP—But you do not have hard science, then?

Dr Scott—What do you define as hard science?

Mrs BRONWYN BISHOP—Physics, chemistry, geology and that sort of thing.

Dr Scott—No, I do not have a background in that. I have done some physical geography, which can be defined as hard science, if you like.

Mrs BRONWYN BISHOP—Mr Robertson, do you have a qualification along those lines?

Mr Robertson—I am not quite sure what the relevance is.

Mrs BRONWYN BISHOP—I will come to that in a minute.

Mr Robertson—I have a qualification as a high-school mathematics teacher. Is that hard or soft? I am not sure.

Mrs BRONWYN BISHOP—Mathematics is very hard; it is very nice.

Mr Robertson—Great.

Mr MARTIN FERGUSON—It is in short supply.

Mrs BRONWYN BISHOP—The reason I am asking you this question is that, only about 10 days ago, I attended the Magna Carta Lecture given by the Chief Scientific Adviser of the United Kingdom, Sir David King, and I was very impressed with his presentation. He was scholarly. He was logical. He put his case about the effect of greenhouse emissions very learnedly. He was persuasive. And when I asked him at the end of the lecture whether he recommended nuclear power as the way to go, he answered unequivocally, 'Yes.' One of the things that interest me in

this whole debate is that there seems to be an internal argument amongst those people who want to see a lessening of greenhouse gases. There seems to be no definitive answer that people who represent organisations such as yours can match up with what I would call scientific evidence. Why do you think that is so? If we follow your dictum, stop mining coal, stop using gas—

Dr Scott—I have never said, ‘Stop mining coal.’

Mrs BRONWYN BISHOP—You said lessen it.

Dr Scott—Yes. That is different from saying stop it.

Mrs BRONWYN BISHOP—Which populations are you going to tell to do without energy? Are you going to tell the Chinese they cannot have any more or the Indians that they cannot have any more? Should we have less?

Dr Scott—I think I outlined a case in my statement for more renewable sources of energy—

Mrs BRONWYN BISHOP—Yes.

Dr Scott—and reducing energy demand. Again, we challenge the committee to take those things on board rather than just pursuing the nuclear path or saying that coal is the answer.

Mrs BRONWYN BISHOP—But that is where we seem to get into trouble, because there is not the capacity to produce sufficient energy by alternative methods. There are people in your own sort of sphere that you would network with who are against wind power because they say it kills birds. There is an ongoing desire, almost, to see society as we know it shrink back to hunters and gatherers.

Dr Scott—I think that is a fairly extreme summation of where environmental groups are coming from. In fact, that is ridiculous.

Mrs BRONWYN BISHOP—But you put the proposition without drawing the conclusions to what your proposition is. If the chief scientist of the United Kingdom can put a proposition in a learned and scholarly way and conclude that nuclear energy is the only way the world can have sufficient energy which is clean and reduces CO₂ gas and the effect of too much greenhouse gases—we need some, or we would freeze to death every night—

Mr Robertson—But, for every scientist like that that you can put forward as saying that nuclear is necessary or nuclear is desirable, there are 10 others who would say otherwise.

Mrs BRONWYN BISHOP—Like who?

Mr Robertson—Here is Hannes Alfvén, a Nobel laureate from 1970, saying:

The fission reactor produces both energy and radioactive waste; we want to use the energy now and leave the radioactive waste for our children and grandchildren to take care of. This is against the ecological imperative: Thou shalt not leave a polluted and poisoned world to future generations.

Mrs BRONWYN BISHOP—Did you say he said that in 1970?

Mr Robertson—I am saying that he won the Nobel Prize in physics in 1970.

Mrs BRONWYN BISHOP—And when did he make that statement?

Mr Robertson—I do not have the exact date in front of me.

Mrs BRONWYN BISHOP—I am talking about a statement made 10 days ago, talking about where we are up to in technology now.

Mr Robertson—I do not think it has changed—the radioactivity of the materials that are produced in the nuclear industry have not changed.

Mr KATTER—Technology has changed dramatically. I am very familiar with those arguments from 1970, and you are talking about entirely different technologies now. There is still validity in your point, but there are entirely different technologies.

Mrs BRONWYN BISHOP—Thanks, Bob. But what I am trying to say is, when we are hearing voices which are in disagreement with each other—

Mr Robertson—Such as there are within the government at the moment on industrial relations or on terrorism laws? What are you saying?

Mrs BRONWYN BISHOP—Not within the government. What I am saying is, when we are looking at a policy issue, as we are, and we are taking evidence, what weight do we put on the different types of evidence we hear?

Mr Robertson—That is up to you to determine.

Mrs BRONWYN BISHOP—Yes, but that is why I asked the question about qualifications.

Mr Robertson—Can I just say that you have had numerous submissions from very, very highly qualified scientists and scientific organisations saying more or less exactly the same as us, which is that nuclear is the wrong way to be going.

Dr Scott—For example, the Medical Association for Prevention of War.

Mr Robertson—Professor Ruff gave you a very eloquent and persuasive case as to why we should not be pursuing the nuclear route.

Mr MARTIN FERGUSON—That was in Melbourne.

Mr Robertson—In Melbourne, exactly. He is an eminently qualified person involved in the nuclear medicine sector saying that that is not the way to go.

Mrs BRONWYN BISHOP—That is fine. As I said, there are very strong and persuasive voices of people who hold eminent positions who argue it is the way to go, so we have to put a weighting on what we hear.

Mr Robertson—Absolutely, so that is where we have to bring in things like future generations and whether we want to leave them—

Mrs BRONWYN BISHOP—I am sorry—we always bring in the future generations; we are always considering that.

Mr Robertson—It is not always evident; that is all.

Mrs BRONWYN BISHOP—To you. I want to ask you about the Office of the Supervising Scientist. I remember asking questions about him a long, long time ago and finding that, really, his function was not the best defined. How would you define his function and the usefulness of it?

Mr Robertson—There is an act that sets up the Office of the Supervising Scientist which supposedly sets out what the functions of the office are. As to whether they have been complied with or whether they are adequate functions, we would probably say no. But that is what the act defines.

Mrs BRONWYN BISHOP—He used to have his office in Bondi. I presume he has moved from there, has he? Is he in Darwin now? He moved from Bondi; he was there for a long time.

Mr Robertson—Was he?

Mrs BRONWYN BISHOP—Yes. But he is in Darwin now, is he?

Mr TOLLNER—Keeping his eye on Lucas Heights or something, was he?

Mr ADAMS—He might have been a surfer.

Mr TOLLNER—Is the Environment Centre a part of the overall lobby group to oppose a nuclear waste facility in the Northern Territory?

Mr Robertson—Very much so.

Mr TOLLNER—You have been very forthright in that position. I understand that you are joining the Northern Territory government in protesting that decision. I am asking whether you can comment on the position of the Northern Territory government in relation to the fact that all of the yellowcake from the Olympic Dam and Ranger mines is brought up on the railway line through Central Australia and put over our port. Also, given the fact that the Northern Territory Government receives quite a hefty sum of royalties from the Ranger mine, do you find that the Northern Territory government is hypocritical in the stance that they are taking on the nuclear waste facility? Do you think that either they should stop allowing the transport of yellowcake through the Northern Territory or stop their pointless protest about the waste facility?

Mr Robertson—I am not sure if it is going to be pointless. That remains to be seen, doesn't it? We have expressed concerns from the outset about this program of transporting the yellowcake from Roxby Downs along the railway line through South Australia and the Northern Territory to the Darwin port. We are obviously opposed to that and we are very, very concerned. I do not think perhaps even the government itself understands just how much yellowcake is going to be coming out of Roxby Downs in coming years, with the expansion of that uranium mine. We are very concerned and we are strongly—

Mr TOLLNER—Clare Martin says it makes the railway line commercially viable.

Mr Robertson—Once again, if that is what we have to resort to to make something like that viable then you have to wonder. We are very opposed to it and we do not resile from criticising the Territory government very vigorously over that policy.

CHAIR—Thank you for appearing before the committee today. If the committee has any questions the secretariat will contact you.

[3.21 pm]

DALY, Mr John, Chairman, Northern Land Council

FRY, Mr Norman, Chief Executive Officer, Northern Land Council

LEVY, Mr Ron, Principal Legal Officer, Northern Land Council

SHELDON, Mr John, Senior Policy Officer, Northern Land Council

SMITH, Mr Howard, Special Projects Officer, Environment and Engineering (Jabiru), Northern Land Council

CHAIR—Thank you for agreeing to give evidence before the committee’s public hearing today. Although the committee does not require you to give evidence under oath, I should advise you that this hearing is a formal proceeding of the parliament. I further remind you that the giving of false or misleading evidence is a serious matter and may be regarded as a contempt of parliament. I also remind you the committee prefers all evidence to be given in public. However, at any stage you may request that your evidence be given in private and the committee will then consider your request. I now invite you to make a short opening statement so that we have plenty of time for questions. I take it that nobody has any objections to this being filmed.

Mr Fry—No.

CHAIR—Thank you. Please proceed.

Mr Fry—In summary, the Northern Land Council welcomes the opportunity to provide this submission to the House of Representatives Standing Committee on Industry and Resources inquiry into developing Australia’s non-fossil fuel industry, with a case study of uranium. The NLC’s submission is in relatively general terms and concerns (1) ensuring that informed consultations occur with traditional owners, (2) the social impacts and (3) the storage of radioactive waste generated from medical and industrial uses here in Australia. The submission does not deal with some environmental and some safety issues, as they are covered by existing submissions to the inquiry or by previous NLC submissions to other inquiries.

The NLC calls for a full and transparent debate regarding uranium related issues so as to ensure that traditional owners and the general community are fully informed from a contemporary perspective, particularly in relation to global warming. Such a debate will assist the NLC when performing its functions in ensuring that traditional owners are properly informed regarding these complex issues. The NLC considers that it is incumbent on the Chief Minister of the Northern Territory to express an opinion regarding statehood, Territorians’ rights and, in particular, the radioactive waste facility and how it may be safely built in some parts of the Northern Territory. Accordingly, the Northern Land Council calls on the Chief Minister to publicly state whether she agrees with the Northern Land Council that a radioactive waste facility may be safely built in some parts of the Northern Territory.

Mr MARTIN FERGUSON—Putting aside the low- and intermediate-level dump, in terms of the NLC's experiences in Jabiru, Koongarra, and the importance of the social dividend of employment and associated issues, what weaknesses have come to the forefront which we should be taking into consideration for the purposes of making sure they are more adequately attended to in the future. I am thinking of things such as training, apprenticeships and so on.

Mr Fry—We believe that, because of the nature of mining agreements in the past in the Northern Territory, with particular reference to the Northern Land Council, it is very important that our agreements be commercially defined and be of a commercial nature. To that end, we have called for the historic agreement package between the Northern Territory government and the four land councils—which deals with part 4 of the Aboriginal land rights act with regard to mining—to be, as a matter of priority, put through the Commonwealth parliament.

Mr MARTIN FERGUSON—What would that achieve?

Mr Fry—It would achieve sustainable outcomes. It would break the mythology surrounding the nature of agreements with mining companies and the level of royalties that come back to traditional owners. One of the furphies we have discovered—it has been perpetuated here in the Northern Territory and indeed in Australia; nowhere more so than in Canberra—is about the level of outcomes that Aboriginal people receive from mining agreements and other such things to do with part 4.

Mr MARTIN FERGUSON—On the social issues: I can recall, pre-uranium mining, all the problems down there at the border—major issues with grog et cetera. It is also suggested that there has been an ongoing problem with respect to the Jabiru township. What suggestions can you make in terms of approvals for mines in the future as to how government, working in association with the Indigenous community, can start to front up to some of these issues on the ground?

Mr Fry—The first cab off the rank would be for the Commonwealth government of Australia to address the Kakadu regional social impact study that was chaired by Patrick Dodson some time ago. There are certain outcomes in relation to Jabiru and uranium mining in that particular area, none of which the Commonwealth government have picked up to date.

Mr KATTER—Give us an example.

Mr Fry—A lot of them had to deal with the environment and the monitoring. It had to do with a senior bidding committee. It had to do with some empowerment of senior traditional Aboriginal people with the ongoing running of the township at Jabiru itself, to look at the tourism industry out there, and jobs in the industry. To date, one of the glaring failures of Energy Resources of Australia has been the lack of employment opportunities for Aboriginal people in that area.

Mr TOLLNER—Mr Fry, the point that you have just expressed now is that Aboriginal people are not particularly enamoured with the way they have been dealt with by the mining industry. Is it also fair to say that the Northern Land Council is not against mining per se, that you just want strengthened agreements and a greater role for Indigenous people?

Mr Fry—Aboriginal people—hence the Northern Land Council—have never really been against mining in any shape or form. However, we are very much cognisant of the harsh reality of the non-commercial standing of our agreements—due to the nature of part 4 of the Aboriginal land rights act—that do need to be changed.

Mr TOLLNER—In relation to the mining side of things, do you have a particular concern with uranium mining aside from other forms of mining?

Mr Fry—In terms of the environment, no more so than for any other mining that takes place. For instance, other base commodities that are mined—for instance, gold—worry us very much in terms of the environment. But I would have to advise caution with regard to uranium because of the political nature of it, its political profile, its public profile and its international profile and the very successful running of opposition by the traditional owners, particularly Yvonne Margarula. She has been very successful at putting forward her position on behalf of the Gundjehmi people about the nature of the 1982 agreement and the need to basically go back and do those things so there is a commensurate set of outcomes.

Mr TOLLNER—In relation to the politics of uranium mining, do you have anything to say about the Northern Territory government's position, prior to Commonwealth intervention, that there would be no new uranium mines in the Northern Territory? Was that position supported by the Northern Land Council?

Mr Fry—Utterly not. The truth of the matter is that the three-mines policy has been seen by a lot of people as something actually holding the Australian Labor Party back, because uranium mining in the Northern Territory is a fact. It is not really something to be talked about; it actually happens here. As we speak, there are a record number of tenements where mining companies are pursuing the option of mining uranium. Here in the Northern Territory a lack of certainty has cropped up since the Martin government stated that, due to the three-mines policy, no uranium mines will take place, hence Mr Macfarlane stepping in. Now we have a situation where the Northern Land Council, on behalf of traditional owners, do not know—and, I suspect, the Commonwealth government and the Territory government do not know either—who will monitor any new uranium mine as it comes up, because it would mean that the department of mines and energy here or the Environmental Protection Agency, which monitors these things, would not be part of the process. That is quite a silly situation for government to get itself into, and the only losers in this are traditional owners and mining companies in the Australian and Territory economies.

Mr TOLLNER—Would you say the same applied with the nuclear waste issue, where the government has virtually dealt itself into irrelevancy on this issue, where it will not have a say on the location or regulation of the facility? Do you think things might have been handled better by the Northern Territory government in relation to nuclear waste?

Mr Fry—Absolutely. As with the uranium issue, the Territory public and, in particular, the land councils could have been invited from day one as part of that process, to take a stand on behalf of Territorians either for or against. The fact of the matter is that statehood was tied to this particular issue, without any reference to the land councils, Aboriginal people or, indeed, Territorians as a whole. It was seen as politically opportunistic and something that we believed would, in the end, have the Aboriginal land rights act as a legislative sacrificial lamb up there on

the altar in any distilling debate about state rights versus Canberra in a federation. We are only a territory, not a state, and the argument logically flows that the Territory would end up with it. Our full council position is to make sure that the existing bill that is in the House, which overrides sacred sites, the Aboriginal land rights act and Northern Territory government legislation, should have an amendment to it, which our full council passed, which is to make sure that traditional Aboriginal land owners have a say in where it goes. So, if the Territory is to have this thing plonked on it, especially if it is to occur on Aboriginal land, we at least want to sit down at the table with the Commonwealth government and the Territory government to make sure that Aboriginal people have a say in where it goes and share in the benefits in terms of employment and in terms of an agreement. In terms of world's best practice, we believe that the Northern Territory Department of Minerals and Energy could actually deal itself into a sphere of excellence in mining and in nuclear waste repositories that would set Australia apart.

Mr TOLLNER—This certainly puts you at odds with the Northern Territory government. I have heard it said by people around the traps that this position that the Northern Land Council has taken is just to give the government a bit of a slap over the policy agenda they had in the lead-up to the last Northern Territory election. For the benefit of the committee, can you explain what research the Northern Land Council did and what information they had on this nuclear waste issue in the lead-up to deciding that they should be dealt onto the table?

Mr Fry—As you know, the ANSTO people from the Commonwealth wrote to the Northern Land Council early in August this year and talked about it. In fact, a waste repository of some sort in the Territory has been talked about for many years. It is not new. Let us get that up front and clear. A lot of people are completely aware of this. The fact is that Territorians and, in particular, the land councils from our perspective really did not comprehend the nature of renegeing on the agreement between the Commonwealth and the state of South Australia with regard to Woomera and how this would impact through a domino effect on the Territory. After seeing that and after getting ANSTO's explanations, they were invited to our full council to give a comprehensive analysis of what was to be proposed and to talk with people at length. So most of the day on Tuesday they spent with our full council out at Crab Claw Island, where a recently completed full council meeting, which started on Sunday and ended on Thursday, took place. ANSTO provided just one part of the internal advice that we had on behalf of traditional owners and the land council. We also have our in-house environment people and our own scientists who give us briefings on these matters.

Mr ADAMS—I see from your submission that in Canada in some states the uranium mining industry employs up to 40 per cent aboriginal people—that is at one mine—and that some aboriginal contractor companies in Canada build mines, mills and infrastructure. Is this a direction that you would like to see taken in the Northern Territory, with employment and training targets and those sorts of things?

Mr Fry—Joint ventures—exactly. The Canadian model and a lot of these types of models are where we are heading. We are into a form of corporatisation of the assets that occur on Aboriginal land. We want to make sure that we get the best benefit of those assets, but at the same time we want all of the constraints to really getting us to the table of commercial reality removed from the land rights act so that we can really play on the same landscape as everybody else.

Mr ADAMS—Are the explorers and small companies that are out there at the moment talking to the Northern Land Council?

Mr Fry—All companies talk to the Northern Land Council.

Mr ADAMS—I am concerned about Rum Jungle. I am not over-familiar with the history of it. I take it that predated the act that you work under?

Mr Fry—Yes, it was in the 1950s—Sir Robert Menzies.

Mr ADAMS—Right. The issue is that there is some concern about leaching and things that are going on down there now. Is that right?

Mr Fry—That is correct—acid leaching.

Mr ADAMS—As to responsibility for this, there is some criticism and nobody is taking up the plight. Is that one of the issues?

Mr Fry—That is correct. The Northern Land Council has written to both the Commonwealth and the Territory governments about this quite extensively. However, a bit of research into this will show an agreement between the Commonwealth and the Northern Territory government in the late eighties—I think it was about 1989 or 1990—that dealt with the environment protection components. The rehabilitation of that particular mine site would come to the Department of Minerals and Energy here in the Northern Territory. To my mind that is still an ongoing process and it is happening as we speak. Just down the road from there is the Woodcutters lead zinc mine, which is in the process of final rehabilitation as well.

Mr KATTER—Mr Fry, what sort of monetary benefit have the Northern Land Council or other first Australian—Aboriginal, if you like—groups secured from mining in the region covered by the Northern Land Council annually?

Mr Fry—Sorry?

Mr KATTER—How much money do you get every year?

Mr Fry—Off the top of my head?

Mr KATTER—I am not referring just to the land council. I am referring to the benefit paid to people because they are of Aboriginal descent.

Mr Fry—Mining agreements are agreements that are at the minimalist position. To put it another way: if the land councils in the Northern Territory could strike a deal for something like 10 per cent of the GDP of a ruby mine—like Kerry Packer has struck on his historic freehold—we would be doing pretty well. But the fact is that we cannot, because of the part 4 constraints. I would like to give you a far more comprehensive response on that, but I would have to take some of that on notice.

Mr KATTER—I am trying to get at whether there has been a substantial benefit for you financially from mining in the Northern Land Council region? I mean for Aboriginal people as opposed to the land council; you people should be the people that know, if anyone knows. Is it substantial? Are we talking about tens of millions of dollars? Are we talking about millions of dollars?

Mr Fry—No, we are not. Let me give you an example. Take Gove or Jabiru. In Gove, something like 100-odd million dollars would have been paid in the last 30 years; X amount of billions has disappeared at the same time. Those millions of dollars are being paid out to thousands of people, and they translate into virtually nothing. It is the same in Jabiru. People seem to think that there is a golden mile club out at Jabiru. The reality is that the money does not go very far at all. That is why we are talking today about the requirement for part 4 to allow us to enter into commercial mining agreements.

Mr KATTER—I lived for 30 years beside Mary Kathleen uranium mine, which worked for most of those 30 years. To our knowledge, there have been no problems. I do not know of anyone who really has a substantive problem which has arisen as a result of that mining. However, at Ben Lomond, which is above where I now live in Charters Towers, we had three absolutely appalling cases. The government was getting the mine to self-assess, and they did not self-assess, and there was a break. There were three tiers of lies that were told to the people, so that even the most ardent supporters of mining, such as me, turned against Ben Lomond. It does not exist today because of people like me. Really, it is not because of us but because of the absolute irresponsibility of the mining company involved. Are you people asking for some sort of right to access an oversight every month or every three months? Are you asking for that, or are you going to trust the Northern Territory people in government?

Mr Fry—Oversight of what, Bob?

Mr KATTER—In the case of Ben Lomond, there was a leak of highly radioactive material. At first we were told there was no leak. Then when the photos were produced they said it was a leak but it was not a bad leak. The next lot of lies was that it was not of a highly radioactive nature, and it was found to be something like 10,000 times the safe limit! Then they said it did not reach the river. But they took a second lot of photographs which indicated that it had reached the river, the water out of which 200,000 Australians drink.

Mr Fry—Are you asking if we want more monitoring control?

Mr KATTER—What monitoring controls do you people require? You do not have to be a scientist to know when you have got a leak.

Mr Fry—We do have scientists. And, in fact, there is one at the end of the table here.

Mr KATTER—But you do not need them.

Mr Fry—A number of them work for us, and we do some monitoring. We have to have our independent advice. But, in terms of monitoring uranium mines, that is not the Northern Land Council's wish or desire. That is something that state or territory governments need to do as a responsibility of the land management and tenure regime of that particular state or territory.

Mr KATTER—Norman, I would say to you that we trusted the government—it was my government; I am criticising myself here—and that did not work.

Mr Fry—I am not saying that we are trusting the government. We have our own scientists. We have never trusted governments, Bob; I think you know that.

Mr KATTER—But you are not putting on the table any monitoring regime. Don't you think it is advisable that you put one on the table?

Mr Fry—I have already raised a spectre of uncertainty in the case of the three-mines policy. Should one of these mining tenements get up, who is going to regulate and monitor that fourth mine for Labor in the Northern Territory? I do not want that role; it is not my job.

Mr CADMAN—I am really impressed by your willingness to get involved and by your submission. I have not had a chance to give it my full attention. My question goes to the way in which you operate, as compared to the traditional owners. I do not understand that.

Mr Fry—Say that again.

Mr CADMAN—The way in which you operate as a land council in relation to the traditional owners—I do not understand that process. So, if I appear to be a bit blunt, I do not mean to be. I am trying to get to the facts.

Mr Fry—I will get my principal legal officer to answer that.

Mr CADMAN—The first thing is that ERA, in their submission, say that last year they paid \$8.1 million in royalties that were distributed, they say, to Northern Territory based Aboriginal groups, including the traditional owners. How is that money split up?

Mr Levy—Under the land rights act, there are two kinds of payments made to a land council which then must be distributed within six months. The two kinds of payments are mining payments and non-mining payments. The land council is obliged to give mining payments to an Aboriginal association comprised of traditional owners affected by the mining. Non-mining payments, which might be for a buffalo-hunting agreement or whatever, can be paid either to an association or directly to the traditional owners.

Mr CADMAN—Of that \$8.1 million, how much did you get?

Mr Levy—The money that comes depends on the area. In the Ranger area, the money goes to one Aboriginal corporation, which has arrangements with other Aboriginal bodies in the region to distribute it.

Mr CADMAN—Can you give me details of the cutting-up process, please?

Mr Levy—There is plenty of detail available. We can make a further submission about that whole process, if you wish.

Mr CADMAN—I would appreciate it if you could point me in the right direction, towards the specifics of who benefits from the mining process. I am attracted to your comments about wanting to engage, but I want to know how that works and whether it works against the best interest of the traditional owners, because there seems to be a difference of opinion between you and them in some areas. I want to know what those differences are and who gets the money.

Mr Levy—It might be easier, if it suits the chair, if we take it on notice.

Mr CADMAN—Thank you.

Mr Levy—We are happy to put in a detailed submission.

Mr CADMAN—Thank you. That is what I would like to know.

Miss JACKIE KELLY—The GAC states that uranium mining on their lands has not improved their quality of life. For example, it says:

The uranium mining has completely upturned our lives—bringing a town, many non-Aboriginal people, greater access to alcohol and many arguments between Aboriginal people, mostly about money.

Uranium mining has also taken our country away from us and destroyed it—billabongs and creeks are gone forever, there are hills of poisonous rock and great holes in the ground with poisonous mud ...

What is the Northern Land Council's perspective on the impacts and consequences of mining, both positive and negative, given the GAC submission?

Mr Daly—When you look at ERA and you look at Jabiru and the surrounding towns, and you compare them socially to, for instance, Groote Eylandt and Port Keats, there is not much difference between them, but one group has a mine and seems to be blaming the mine. When you look at social impact, look right across the Territory. Unfortunately, Aboriginal people are suffering out there in respect of services and the way services are delivered out there. If you choke off the supply, people are going to basically turn to mud all the time. What is happening out there is that we have a lack of services, as far as government is concerned, and a lack of education.

The education system seems to have dropped off. I think if you want to have a look at that you just have to look at people from my age group backwards, take a case study and have a look at kids from my age group forwards, and you can see all the problems in life. I think it is just the way we have educated our kids. I grew up when the South Australian education system was in place in the Northern Territory. You find that people from my age group tend to have a more realistic grip on life because we were taught under the old system. Somewhere along the line the education system has let the Aboriginal kids down. Kids nowadays just have not got the benefits of the old education system to get them through life.

Miss JACKIE KELLY—The GAC argues that mining funds all the social services in Arnhem Land communities and that we are forced to have a uranium mine to provide the money for service provision in Kakadu. Is service provision in the region inappropriately dependent on uranium mining, given your statement just then?

Mr Fry—Unfortunately one of the mythologies that sprung up in the late seventies meant that, with housing infrastructure from the Territory government and the Commonwealth government, there has always been this assumption that the golden mile was out at Jabiru, therefore these people could pay for their own things. One of the things that Yvonne quite often says is that we have been neglected, and there is no doubt about it. There has been this perception from politicians that somehow everyone out there is capable of building a house or funding electricity for their out-stations and stuff like that. The money that they do get is very responsibly spent and it augments their living conditions, including housing and other infrastructure, but the IHANT program, the former ATSIC programs, the old former DAA programs have meant that these people have been seen as getting too much, and therefore they have not got that much at all.

That is why, in 2004, the most disadvantaged Aboriginal communities here in the Northern Territory were on the fringe of some of the richest areas and some of the highest disposable income cost centres in Australia, such as Nhulunbuy. Yirrkala, near Nhulunbuy, has been named as having amongst the most disadvantaged people in Australia. We have a gulag just on the outskirts of Nhulunbuy. Jabiru is exactly the same. Governments and politicians have seen fit to throw around this mythology and to wind it up. The land council has found it very difficult to counter that stuff because there were Joh Bjelke-Petersen and others perpetuating it. I can bring out and make available for this committee the *Myths of the north* handbook that was produced in the late seventies and early eighties. You see all these cartoons in the *Courier-Mail* right through to the present day about how Jabiru and Gove are treated. For instance, very few people are aware that Galarrwuy Yunupingu, the father of land rights in the Northern Territory and the boss of this land council for a hell of a long time, does not even have a mining agreement as we sit here. So the mining agreement and the service provisions out there do not add up. The results of that have been found in Pat Dodson's report and the Kakadu regional impact assessment, KRSIS.

Mr TOLLNER—The question is: would people at Jabiru be better off with or without the mine?

Mr Fry—That is a hypothetical question really. Because I come from here, I knew that area before there was Jabiru, when it was Mudginberri and Goodparla. That is like asking someone who lived in the 1800s whether New South Wales is better because Canberra has been built. I cannot answer that. But certainly services are better, yes.

Mr TOLLNER—What we are hearing from some organisations is that life would be a hell of a lot better if this mine had never been here. Do you agree with that or not?

Mr Fry—One of the things that came up in the Kakadu Region Social Impact Study was that, whether a mine was next to a large Aboriginal community or 1,000 miles away, most of the social problems were identical.

Mrs BRONWYN BISHOP—I am very impressed with your submission and your comparisons with what can be achieved in Canada in terms of outcomes for people. It seems to me our government has a policy that says that the best form of welfare we can give people is to get them into a job.

Mr Fry—Yes.

Mrs BRONWYN BISHOP—It seems to me that that applies to Aboriginal people as well as non-Aboriginal people. On page 8 of your submission you say the Ranger mine did not quickly establish an Aboriginal employment policy and it declined to support the establishment of a local training facility for potential Aboriginal mine workers, and then some statistics are given. According to page 9, in the Canadian example the issuing of a mining lease comes with specific employment and training clauses that require preferential treatment of traditional owners and local aboriginal people. You talked about the need for getting rid of part 4 of the—

Mr Fry—Not getting rid of it; updating it.

Mrs BRONWYN BISHOP—All right. Is amending part 4 necessary to achieve a negotiation to get those sorts of outcomes?

Mr Fry—Absolutely.

Mrs BRONWYN BISHOP—What endeavours have you made to achieve reform and what response have you received?

Mr Fry—We gave these reforms some years ago—in fact, I think they have been in the pipeline for two years—to the Northern Territory government, under Clare Martin, and the four land councils. So all four land councils and the Northern Territory government reached what we call the ‘workability provisions’ for the Aboriginal land rights act. It is about dealing in a role for the Northern Territory mines minister and the other relevant ministers so that we could cope with things like extended wets, cyclones and other things that would throw out our time lines associated with the 12-month negotiating period and the five-year moratorium,.

Mr CADMAN—Could we have a copy of those submissions, please?

Mr Fry—For the amendments?

Mr CADMAN—Yes.

Mr Fry—Yes, we can do that.

Mr MARTIN FERGUSON—Earlier you offered to make a more detailed submission on those part 4 issues.

Mr Fry—Correct.

Mr MARTIN FERGUSON—That would be very important.

Mr Fry—No problem.

Mrs BRONWYN BISHOP—In this endeavour, do you get support from mining companies to see this occur?

Mr Fry—In the main, the very large mining houses—Rio Tinto, Comalco, Alcan and a few others—want to go down that track. From their point of view it is very important that

shareholders feel comfortable about doing business, wherever it is in the world. We understand the responsibility and the challenges to us, not just as Australians and in the land council as the Commonwealth entity but as Aboriginal people and as people bargaining and getting a fair chance at the table. It is about us dealing on a level playing field with mining executives and their commercial lawyers so that we can get a commercial outcome. My jibe at Kerry Packer was because, if anything, we are envious.

Mrs BRONWYN BISHOP—My next question concerns Wadeye, at Port Keats. In the course of the last parliament I took a committee I was then chairing, which was looking at crime issues, to Wadeye and met with the elders of the community. I have to say that I came away from there feeling a great despair on behalf of the rest of Australia but a great admiration for individual people who are trying to get outcomes, particularly for young people—teaching them skills with sewing machines and so on. I think your paper says there were 17 to a house. We were given the figure that it would soon be 23.

Mr CADMAN—Yes, that is right.

Mrs BRONWYN BISHOP—One of the things that they stressed was that there was a desperate need for more housing, and they said, ‘Please don’t send companies in who bring all their own resources and build them and leave; please teach our people to be able to (a) build them and (b) maintain them so that we are creating work within the community.’ Although we are discussing uranium mining here and, indeed, the repository for waste as a creator of jobs, are there parallels that can be drawn to see jobs and sustainable economies created for places like Port Keats, which is the fastest-producing population in Australia?

Mr Fry—Absolutely. The report that COAG had done recently by Dr John Taylor from the Australian National University found that 22c in the dollar was being spent by the Territory government on education. For every dollar that is spent on kids’ education in town here, the kids out at Port Keats were getting 22c spent on them. The reality is that, with the Commonwealth Grants Commission—you are aware of the formulas—the Territory government collects \$1.50 to \$1.60 on behalf of those kids. So it is worse than 22c in a dollar; it is probably 22c in \$1.60. We are very cynical about that. We see that as milking the Aboriginal people. Others have called it a form of nigger farming. Others have called it a form of making sure that the status quo stays in place.

Port Keats is the fifth largest town in the Northern Territory. It is accessible for only six months of the year. We have one of the biggest gas projects, just off the shore at Blacktip. Santos has a number of wells out there as well. We have Ord stage 2 just around the corner—250 or 300 miles away—which is an extension into the Northern Territory. It is a billion-dollar project between the Northern Territory, Commonwealth and Western Australian governments, of which the Western Australian government has carriage. It needs something in the order of 16 to 18 petajoules a year. To get that into perspective, the Alcan mine required roughly 20 petajoules a year. Darwin, as a city, has about 16 petajoules a year.

With the two giant sugar refineries that were planned over there as part of Wesfarmers economic program for Ord stage 2—and with the extended pipeline over to Gove, which is being mooted as we speak to come from PNG across from Weipa—you could see that Woodside, Santos and the Aboriginal people of Port Keats and that area, as well as Aboriginal people from

the western side of Queensland and into the Northern Territory, will have a piece of that action. Otherwise—we are currently talking to Woodside and the Western Australian government—when Wesfarmers finally do the section of Ord stage 2 in the Territory, there will be other requirements for energy in that area.

So here we have the fifth largest town—one of the most exciting and vibrant communities in Australia. Everybody says all the young men and women have sixpacks; nobody is obese. Nobody has been abused in any shape or form. The community is very strong. A sociological study does not need to be done on the people out there, like the people of Groote Eylandt; it is just something that politicians need to look at.

Incarceration rates in the Northern Territory were published just yesterday: 78 per cent, or eight out of 10 persons, from an eligible population of something like 18 per cent. If you halve that, because it is men and women, nine per cent of the population—we Aboriginal men—are contributing nearly eight out of 10 incarcerated persons. You might conclude that in the Northern Territory in 2005 it is a greater crime to be born an Aboriginal man than it was when we were boys.

Mrs BRONWYN BISHOP—It was explained to us when we were there that there are many skin groups in Wadeye. Does that pose any practical problems for the ability to take part in those employment programs that you were just talking about, in terms of organisation? I do not understand that; would you mind explaining it to me?

Mr Fry—John comes from there; that is his area, so I will let him answer.

Mr Daly—I do not think it has anything to do with the skin names or the large amount of groups being in one area. I think it is just that, in the days when the mission was in charge of it, the mission should have identified potential leaders to prop the community up when they left. What has happened over a period of time, as the missions have left a lot of Aboriginal lands, is that no leaders have been identified to come in and take the leadership spots. I think it is just a matter of mistakes having been made in the past and us trying to rectify those problems, identify possible leaders out there and potentially train them up.

Mrs BRONWYN BISHOP—Thank you very much.

Mr KATTER—I have a question.

CHAIR—Our time is just about up, so you will have to be really quick, Bob.

Mr KATTER—It is an important question. One of the things that is a real problem for the mining council—and not only for the miners but also for you blokes—is establishing who to negotiate within an area. The law leaves this delightfully vague. Mr Tilmouth is here; both of us had dealings with the Century project but in that case neither side came out with anything resembling a satisfactory outcome as a result of the fact that nobody could really establish who the hell to negotiate with at any stage. If it had been with the land council maybe there would have been a more acceptable outcome; I do not know. But I am saying there is a failure of mechanism there. Do you have anything to lay on the table for an improvement to that mechanism?

Mr Fry—Yes, less detriment in all of our land claims would certainly help because they are all third-party issues, but I must take you to issue about traditional ownership here in the Northern Territory—that is not an issue.

Mr KATTER—But that is not what I am talking about; I am saying—

Mr Fry—You talked about mining companies and the problem for us being about who the people are.

Mr KATTER—Who do they negotiate with?

Mr Fry—Exactly. You asked about traditional ownership—that is not a problem in the Northern Territory. We know who speaks for certain country. There is absolutely no problem in the Northern Land Council in recognising that Yvonne Margarula is the boss for her country. There is no problem in recognising other certain other traditional people as the bosses in their country. It is well established, it is well known and those of us have come from—

Mr KATTER—But how do you get the committee for that particular territory skin group or tribal group—whatever it is? How do you establish within that tribal group who you negotiate with?

Mr Fry—What you mean? Those things are already depicted by those people. There is no-one in the Mirrar Gundjehmi groups who would question Yvonne's authority, or Galarrwuy's authority, or Bakamumu's authority or anybody else's authority dealing with any mining activity, I can assure you.

CHAIR—Thank you for appearing and we look forward to the extra information that you are going to provide. Mr Ferguson has moved that submissions from the Northern Land Council be received as evidence to the inquiry into developing Australia's non-fossil fuel energy industry and authorised for publication—that is the document received today. Everyone being in favour, that is carried. We will now break for a short afternoon tea.

[4.15 pm]

HENWOOD, Mr Neville, Executive Committee Member, Northern Territory Minerals Council Inc.

MATTHEWS, Dr Ron, Executive Committee Member, Northern Territory Minerals Council Inc.

PURICK, Ms Kezia, Chief Executive, Northern Territory Minerals Council Inc.

CHAIR—I welcome members of the Northern Territory Minerals Council. Do you have anything to add to the capacity in which you appear?

Ms Purick—On behalf of the Northern Territory Minerals Council, I thank the committee for the opportunity to present a brief overview of our position and to answer any questions relating to the terms of reference of these current hearings that the committee may have today. I have the responsibility for managing the affairs of the Territory based resource group. I am accompanied by Dr Ron Matthews, exploration manager, Cameco Australia, and Mr Neville Henwood, partner in Crittendens Lawyers. Both are vice presidents on the executive committee of the Minerals Council.

CHAIR—Although the committee does not require you to give evidence under oath, I advise you that the hearing is a formal proceeding of the parliament and I remind you that the giving of false or misleading evidence is a serious matter and may be regarded as a contempt of parliament. I also remind you that the committee prefers that all evidence be given in public. However, at any stage you may request that your evidence be given in private and the committee will consider your request. I now invite you to make an opening statement before we proceed to questions.

Ms Purick—The committee would know from previous presentations to you that the Minerals Council is the peak Northern Territory organisation representing the interests of mineral explorers and operators, offshore petroleum operators, quarry and allied service and supply businesses. The membership of the Minerals Council contributes about 95 per cent of the Territory's international merchandise export; employs around 4,000 people directly; underpins the Territory's economy, accounting for around 19 per cent of gross state product; assists with regional development by way of support of townships at Nhulunbuy, Jabiru, Tennant Creek, Alyangula and Boorooloola; and is responsible for a vast level of goods and services from locally based businesses.

Currently in the Territory there is one major uranium mine, the Ranger mine near Jabiru. This mine has been in operation since the early 1980s and currently employs around 300 people. Ranger also employs about 45 Aboriginal people at its operations, but not many of them are local people. There have been difficulties in employing local Aboriginal people because the traditional owners in that area did not approve of their people working at the mine and they expressed discomfort with other Aboriginal people coming in from outside the area. However,

the company is engaged in discussions with the local people on these issues, and those discussions are ongoing.

A report commissioned by the operating company, titled *Contribution of the Ranger uranium mine to the Northern Territory and Australian economies*, stated that the Ranger mine and directly related activities have accounted for no less than seven per cent of the whole of the Northern Territory's economic activity over the 11 years between 1981-82 and 1991-92, some \$5.3 billion in total, expressed in 1991-92 terms. Imagine what one new uranium mine of that size could do for the Northern Territory, its economy and its people, let alone if we could have two more mines.

There are three well-known deposits in the Northern Territory: the Jabiluka and Koongarra deposits in West Arnhem, and the Angela deposit near Alice Springs. No other proven reserves are known in the Territory. However there is good mineralisation in the following geographical areas: the Batchelor-Rum Jungle-Coomalie area, as it is described, 100 kilometres south of Darwin; West Arnhem Land; the Napperby-Tanami-Arunta region, which is about 150 kilometres north-west of Alice Springs; and the Ngalia Basin, 250 kilometres north-west of Alice Springs.

Over the last five months there has been considerable interest in the Territory in uranium. This has resulted in the application and granting of exploration licences to over 17 new companies. At the break I provided a list to the committee, which I think you have in front of you, of the 25 companies that are now currently active in the Northern Territory either through application or granted tenements. These companies are predominantly Australian companies but there are three Canadian companies, one UK-linked company and one major French company, either exploring or planning to explore in the Territory in the very near future.

In our submission to this inquiry the Minerals Council highlighted that there is no justification for restricting the development of further uranium mines in the Territory and that both the NT and the Commonwealth governments need to work together to encourage the search for new deposits and provide the relevant support. An expansion of uranium resources in the Territory will come from new discoveries as well as upgrade historical resources. This is expected to take place over the next several years, driven by investment funding, innovations in uranium exploration techniques, an assertive new political will and a growing global demand fuelled by an expansion in the nuclear power industry. The Territory needs to position itself to take on the opportunities that are represented as the demand for uranium is forecast to outstrip supply for at least the next 10 years and beyond, driven by the end-users in the power generation market urgently trying to secure supply into the future. There are currently 440 nuclear power plants around the world and up to 30 reactors are expected to be constructed over the next 15 years—mostly in China, Pakistan and Russia in particular, but also in many other countries.

With regard to the regulation of the uranium industry in the Northern Territory, the Minerals Council continues to support the Mines Division of the Department of Primary Industries, Fisheries and Mines, as the prime regulator on a day-to-day basis, based on agreed arrangements between the Northern Territory and Commonwealth governments. Further, the Minerals Council supports the work of the Office of the Supervising Scientist and believes that that office is independent in its work and completely impartial and unbiased in its reviews and regulation.

CHAIR—I notice in your submission that you note the value of undiscovered uranium in the Territory at between \$35 billion and \$100 billion in 1986 dollar terms—that is on page 6 of your submission. Are you able to explain how these estimates were arrived at, what assumptions were made about the uranium sale price and, given that the price of uranium has now increased, what value would you place on the undeveloped uranium resources reserves now?

Ms Purick—We got the technical data we provided in our submission from a combination of sources: the Northern Territory government's geological survey, Geoscience Australia and companies' information. Ron might like to comment on the price of commodity and other aspects of your question.

Dr Matthews—I think the figure for existing resources within the NT has been quoted at \$12 billion based on the current price. I am not totally familiar with those figures but, looking at the increased exploration, I suspect there is potential to double or treble that, or perhaps even more. I think \$12 billion represents the in-ground resources at the current price of \$30-plus a pound.

Mr TOLLNER—I know that other industry bodies have taken a position on the proposed nuclear waste facility for the Northern Territory. I understand that is somewhat different from uranium mining, but does the Minerals Council have a position in relation to a nuclear waste facility in the Northern Territory?

Ms Purick—Yes, we do. Would you like me to read out part of our position?

Mr TOLLNER—I would like to understand what it is.

Ms Purick—I will table this document. It says:

The Minerals Council supports the need for a suitable repository for the safe storage of low-level to intermediate-level radioactive waste at a suitable site in the Northern Territory or elsewhere in Australia. The Minerals Council notes that nuclear-based medicine is, and will continue to be, part of Australia's and the Northern Territory's provision of the best possible medical care for its people and that the NT government and its people have a legitimate role to play in providing the storage of waste material at a suitable facility.

The Minerals Council believes that the proposed waste facility should be considered on the objective merits of a full economic, environmental and scientific appraisal. The industry view is that legislative and regulatory requirements should ensure the highest possible standards of occupational and public safety and the minimisation of environmental impact.

The Minerals Council recognises that the radioactive waste management facility approval process must implement a structured forum for the exchange of information and the consultation on the effects of the facility on stakeholders and the environment. Stakeholders should include industry, government and community organisations where appropriate.

The Minerals Council believes that it is very important that the proposed radioactive waste management facility is managed in a manner that protects human health and the environment, both now and into the future ...

To do this, we believe it must firstly comply with all relevant legislation and regulatory requirements; and, secondly, arrangements for the management of the facility must be in accordance with world's best practice and consistent with Australia's international obligations

for safe radioactive waste management. That is the position of the Northern Territory Minerals Council.

Mr TOLLNER—So, based on what you have just read, you would find yourself in opposition to the Northern Territory government's position.

Ms Purick—Yes, I believe it is in opposition to the position of the Northern Territory government and the CLP opposition. As I said, we based our position on economics and scientific evidence and not on the political commentary that is currently before the community.

Mr Henwood—It may be that the outcome of the scientific and economic analysis is the same as the position of the Northern Territory government and the CLP, but we are calling for analysis of the proper basis for it and not the politics.

Mr TOLLNER—So you would find yourselves almost in accord with the Northern Land Council's position on this one?

Mr Henwood—Pretty close.

Mr TOLLNER—It is probably not often you find yourself in that situation.

Mr Henwood—No, it is quite frequent nowadays.

Mr TOLLNER—That is good to hear. In relation to the Northern Territory government, they have refused to provide a submission to this committee in the past, but very recently—as of last Friday—they said that they will provide officials to make submissions to the committee but they will answer only questions that are in relation to term of reference (d), which is all about the current structure and regulatory regimes of uranium mining in the Northern Territory. Do you have a view on whether this is a good thing, given the fact that all things nuclear are being debated in the community? We have heard questions about enrichment programs and the leasing of rods and there is a very loud debate happening, particularly in the Northern Territory, about the placement of a waste facility. Do you think it is appropriate that the Northern Territory government does not comment on these things?

CHAIR—That may not be a fair question to the Minerals Council. You do not have to answer that if you do not want to.

Ms Purick—That is okay. When this uranium inquiry was announced, we wrote formally to the Northern Territory government seeking their position on participating in the inquiry and on what grounds, and seeking to learn what they would be bringing forward to the committee. We received a formal reply from the minister for mines saying that the Northern Territory government would not be participating as they had participated in many reviews on the uranium industry previously and therefore did not have anything new to add. We were critical of this position and believed that, as a partner in the resource industry in the Northern Territory, they should appear before this committee in whatever capacity they believed appropriate. Obviously they are appearing now, even if it is just from a regulation point of view.

Mr TOLLNER—They say that their position is well understood. I am having some trouble myself coming to grips with what their position actually is. Do you have a better understanding?

Ms Purick—The position that was put to the Minerals Council by the government subsequent to their election win a few months ago was that this Northern Territory government sticks by the ALP's national policy of no new mines.

Mr TOLLNER—Maybe I should be directing my questions to Mr Ferguson.

CHAIR—That is good, because he has the next question.

Ms Purick—Of course, the Minerals Council have never supported the ALP's position on uranium mining. We do not believe that it is based on any sound logic or principles. It is a political deal, and political deals can change. I think your comments earlier indicated that there is a sea change around the countryside with regard to, one, uranium exploration and mining and, two, the whole nuclear energy debate and/or greenhouse emissions and environmental problems globally.

Mr MARTIN FERGUSON—You have distributed a fairly comprehensive list of exploration in the Territory at the moment. Do you put the increase in exploration down to the jump in the price of uranium? What is your estimate of what will be spent on uranium exploration in the current financial year? What difficulties do you perceive in the Territory at the moment with approvals for uranium exploration?

Ms Purick—The jump in interest is attributed partly to the commodity prices and partly to what industry believes is some certainty and clarity following the Commonwealth government's announcement by Minister Macfarlane some four months back. At that time that announcement did give certainty to a lot of the juniors in the industry, and it was from that time on that we saw a lot of those companies come into the Territory and either apply for licences or be granted licences. What was the second part of your question?

Mr MARTIN FERGUSON—How much do you estimate will be spent on exploration for uranium mining in this financial year? Do you perceive any problems with respect to approvals for exploration in the Territory?

Ms Purick—If I jump to the third part first, no, because some of these companies have been granted exploration licences. Exploration licences are generic licences. They are not specific commodity licences. However, industry well knows what these companies are looking for, and so does the Northern Territory government. They apply in areas which are known to be uranium provinces. The amount of spend on the ground in this financial year will vary. If they have not started a program now they are unlikely to, given we are coming into the wet season, but their expenditure could well be from the dry season, which would be from about March, April and May onwards. Companies like Cameco, which is the largest explorer for uranium in the Territory, spend about \$5 million or \$6 million per year. It varies. Some could spend a couple of hundred thousand dollars; some could spend up to \$1 million.

Mr MARTIN FERGUSON—With respect to the small and medium sized companies, one of the issues is the potential introduction to Australia of the flow-through shares option, like in Canada. What is the view of the Northern Territory Minerals Council on that regime?

Ms Purick—Ron might comment on that, because he represents the Northern Territory Minerals Council on the minerals action agenda, and that is one of the issues that is definitely looked at in that working group.

Dr Matthews—I think the Northern Territory Minerals Council, the MCA and, certainly, I would really support that scheme being looked at seriously to try and drive exploration expenditure in Australia, which has lost ground significantly compared to the rest of the world. I would see great benefits in that to drive greenfields exploration in particular, and also to benefit junior companies specifically, which really form the engine behind the resource industry. I think there is a move to look at that; I think we would all endorse this being looked at very seriously.

Mr MARTIN FERGUSON—Have you prepared a submission or a proposal to government on this?

Ms Purick—We have not done that as the Northern Territory Minerals Council. I understand that the national body has participated in discussions with the Commonwealth government, but perhaps it is warranted that the Northern Territory does put in its own submission.

Dr Matthews—That is also one of the recommendations coming out of the action agenda which I think is being acted on now or is being looked at seriously.

Mr MARTIN FERGUSON—Obviously this is important for the whole of the resources sector and not just the uranium sector.

Dr Matthews—Very much so, yes.

Mr MARTIN FERGUSON—You raised in your submission questions of access for exploration, mineral development et cetera. You say that that could be improved for both mining companies and the indigenous community, and you made the point, Neville, about the better working relationship with the NLC. What practical suggestions do you have in terms of those issues?

Mr Henwood—The minerals council has put a fairly comprehensive submission to the Commonwealth government in relation to the proposed review or reforms to the land rights act. Essentially, the position at the moment is not nearly as bad as it has been. You heard from the NLC about the very commercial focus of the NLC. It is easier to get things done. It remains the case, though, that in the Northern Land Council area there have been no new mines developed on Aboriginal land since the land rights act came in. All the current mines were there before. That is partly a product of the fairly slow process in the early years of land rights for granting exploration licences. If you do not explore you cannot find, and if you cannot find you cannot develop.

Mr MARTIN FERGUSON—Is that across all resources?

Mr Henwood—Yes, across all resources. The only agreement under part 4 for a mine in the Northern Land Council area on Aboriginal land is the agreement for Jabiluka. Contrary, perhaps, to what Mr Fry said earlier, there is not really a need to change part 4 to facilitate agreements being reached, or to facilitate any terms of those agreements. I do not think the proposed package of reforms that has been put by the land councils or the Northern Territory government does much more than fiddle around the edges. At a fundamental level, the Minerals Council would prefer that the exercise of the veto was up the front rather than at the back end of negotiation, but that is something that we have agreed to disagree on.

Miss JACKIE KELLY—I have three questions, all on the different stages of the fuel cycle. A number of issues have been raised regarding transport impediments for uranium mining product. Common causes for this relate to a lack of education on the part of shipping companies and excessive paperwork. Is that something that you find in the Northern Territory? Again, that uncertainty also impacts on public perceptions of the industry. ERA observes that winning public support for uranium mining is a difficult challenge in Australia, and that negative public perceptions have led to knee-jerk state government reactions. What can be done by industry to address the issue of negative public perception? The last question is in terms of value-adding industries. Several submitters have recommended that consideration and encouragement should be given to the establishment of uranium value-adding industries in Australia, such as the production of rods, or even just the disposal of others' waste or the taking back of Australia's exported waste. Would you like to see any moves along those lines in the Northern Territory?

Ms Purick—I will tackle your first question. In March this year, the Ray Morgan company commissioned a poll around the countryside, and about 65 per cent, I think, of people were supportive of exploration and uranium mining. I do not have full details of that survey, but that is my understanding of the results, and I got that information from the Queensland Resources Council.

The second point is that there may well be some negativity towards the uranium industry across the country but I think it is diminishing. Based on our internal Northern Territory Minerals Council survey work and our relationship with our members, government and community in a general sense, I would say that there is definitely not the strong negativity here in the Northern Territory towards the minerals industry full stop or to the uranium industry.

Having said that, I can appreciate that there would be some negativity perhaps to the industry in the Bermuda Triangle down on the eastern seaboard, and that is where the industry collectively probably needs to do a lot more work. Some of that work has already started with the announcement of the uranium strategic framework by Minister Macfarlane some three months ago. Ron, Harry Kenyon-Slaney from ERA and I sit on the steering group committee, along with other industry people. Part of the steering work and framework is to try to understand better the issues of communicating to the broader community and opinion leaders about the industry and trying to understand where there are deficiencies in education about the industry to anyone—stakeholders, government, policy people, land councils or just the broader community. There is always an ongoing role for industry groups and industry to play in education and the sharing of information to gain this social licence to operate. They are only going to gain their social licence to operate if they are seen to be a credible and honest player. That is an ongoing part of our industry and our job.

Unfortunately, the issue of spent rods is an area in which I have little expertise. Perhaps Ron can help with that.

Dr Matthews—It is always a good idea to look at this issue. However, I think this inquiry is looking at mining resources and we have to first address that and look at the other further down the road. Obviously, it is worth considering. Taking waste and providing storage are things that should be looked at very carefully but I think we need to focus on making appropriate use of and developing Australia's mining resources. That is where I would like to see things move forward dramatically.

Mr Henwood—To answer your first question, I am not aware of any difficulties with transportation, so that is outside our scope. In terms of the proposition of taking back nuclear waste, that should be viewed as an economic rather than a moral decision. I do not think that it follows, as some have said, that because we produce uranium we have a moral obligation to take back spent fuel rods and the like. The vast quantity of economic benefit is derived by those producing power and selling it down the track. The percentage we derive from selling the product is minuscule. If it makes economic sense, by all means look at it on that economic and scientific basis, but I do not think there is a moral obligation to do it.

Miss JACKIE KELLY—What is the economics of that? How valuable is it for reactors around the world to find a safe place to put their spent rods?

Mr Henwood—I am not familiar with the information. I was focusing on the economics. The percentage of the ultimate value chain that is represented by the mining and selling of uranium ore is a minuscule component of the economic benefit of selling the power. In answer to the question, 'Should we take back the waste because we produce the uranium?' I would say no because those who derive the greatest benefit are the utilities that utilise it. It is primarily their responsibility to find a safe place. It would be the same as saying we should take back all the greenhouse gases from Japan because we export coal.

Mr KATTER—Before I went into parliament I was in mining. My background is mining; I am very pro mining. The land council said that there have not been any problems. Saying who you should be negotiating with has not been a problem in my experience in Queensland—just the opposite. They would agree with that in formal discussions. You have said that there have been no new mines developed in the Northern Land Council area. Do we have a problem with the negotiating mechanisms in place?

Mr Henwood—We have some difficulties with the negotiating mechanisms but it is not around who to negotiate with. One of the great benefits we have in the Territory is having, for better or for worse, two very well-organised and well-credentialed land councils. You deal with the land councils and they sort out who the traditional owners are that they get their instructions from. We do not have any of the sorts of native title problems that are had in Western Australia, Queensland or elsewhere because there are few intergroup fights.

Mr KATTER—How come you have had no mines open up there?

Mr Henwood—In the early years there were very few exploration licences granted. That has just started to pick up in the last seven to eight years and nobody has found anything yet as a result.

Mr KATTER—If the federal ALP changes their position, is it the opinion of the Minerals Council that the Northern Territory government will change their position? In Queensland most people would say that if the federal ALP changes their position, the state government in Queensland will too.

Ms Purick—I am not obviously fully familiar with ALP internal operations; however, if ALP nationally changed their policy then I would presume that the ALP governments in power across the countryside would adopt that policy.

Mr MARTIN FERGUSON—For the record, just so that it is clear, the national platform is binding on state and territory governments. If the national platform changes then the state and territory policies change.

Mr KATTER—We are getting no benefits in north-west Queensland, or very few benefits, now from local mines. They just fly in and fly out. There is no benefit for the local community.

Ms Purick—The Territory is probably a little bit different. We have five major mines, the McArthur River base near Boorooloola is fly in, fly out. They all live in the Northern Territory and that is the way that company operates. Some of the others are—

Mr KATTER—Is that by agreement with the state government?

Ms Purick—No, that is the company's commitment to the Northern Territory. It is existing from MIM days and now it is Xstrata. There are some 380 employees—staff members and contractors. Other companies are similar. A lot of their people are based here in the Northern Territory.

Mr CADMAN—I want to pursue the land rights submission that you made to the federal government. I wonder whether we could have a copy of that.

Ms Purick—Yes, we can supply the committee with a copy.

Mr CADMAN—Could you briefly outline what proposed changes you think should take place and whether that might be at variance with the land councils?

Mr Henwood—I actually cannot remember much of the detail of that now. One of the areas where we are at significant variance with the land councils is the timing of the exercise of the veto—we do not advocate removal of the right of Aboriginal people to say yes or no to mining on their land—

Mr CADMAN—Do you want that veto removed?

Mr Henwood—No. But what we say is that it should be exercised up front for social or traditional reasons.

Mr CADMAN—You mean rather than going through the whole process and having it at the end?

Mr Henwood—Yes. That is one thing. Another is that we have some issues with the division of royalty moneys. You asked the land council earlier about how that works. If ERA paid \$8.1 million, I think that was the figure, in royalties to the Commonwealth government, 40 per cent of that goes to the land councils for administration costs, 30 per cent goes to the traditional owners and other Aboriginal people in the region and the other 30 per cent stays in the Aboriginal Benefits Reserve, which is a fund of money set up to benefit other Aboriginal people in the Northern Territory. Traditionally that was used—

Mr CADMAN—Who administers that?

Mr Henwood—It is a board under the supervision of the Minister for Aboriginal and Torres Strait Islander Affairs.

Mr CADMAN—Is that a collective pool of funds available to the state government?

Mr Henwood—No, to the Commonwealth government.

Mr MARTIN FERGUSON—It is fully audited.

Mr Henwood—Traditionally that has been used, in the days when land claims were still possible, to purchase pastoral leases and other parcels of land and then to lodge land claims and convert them to Aboriginal land. Since that ceased in 1997, the fund has built up a bit. It is still there for that purpose but the mining industry would prefer to see a greater proportion of that money go to Aboriginal people whose land is affected by mining.

Mr CADMAN—Traditional owners.

Mr Henwood—Traditional owners and others affected, yes.

Mr CADMAN—Have you got a notional split-up?

Mr Henwood—No. We would say there is no need for any money to go to the ABR any more and that the traditional owners should get 60 per cent, because what happens now is that the money that is paid by way of royalties by mining companies is matched dollar for dollar. So the royalties go in most cases to the Territory government. The Commonwealth government then pays that money into the reserve and it is distributed. Where you have agreements for exploration, and presumably if there is an agreement for mining, there is an additional royalty imposed on the miner.

Mr CADMAN—Wait on: there is a separate—

Mr Henwood—There is a separate royalty usually negotiated.

Mr CADMAN—For exploration?

Mr Henwood—At exploration stage. If you find something, when you mine it you will pay X per cent to the traditional owners. That goes to them directly. The gist of it is that the traditional owners are getting a fairly small proportion of the royalty stream that comes through the ABR. They try to make that up by getting a direct royalty, which is understandable. We would say that less should go to the ABR and more should go to the traditional owners, who are of course the ones who are affected by the operation.

Mr CADMAN—Forty per cent seems a large proportion to go to the land council.

Mr Henwood—The Northern Land Council gets 26 per cent of the total. The Central Land Council gets about 14 per cent. The Tiwi Land Council and the Anindilyakwa Land Council get one or two per cent each. So, of the \$8.1 million, the NLC would get \$2 million or thereabouts.

Mr CADMAN—That indicates why they can present fairly professional submissions. My concern is that when you read the submission from the traditional owners they seem to have their needs not as well catered for as the land council does.

Mr Henwood—That is a difficult proposition in the case of Jabiru because there have been some inefficiencies and mismanagement in the past out there. That is not the case now.

Mr MARTIN FERGUSON—The truth is that the centre at Jabiru is well resourced financially.

Mr Henwood—Yes.

Mr MARTIN FERGUSON—Their submission reflects their capacity, rather than a shortage of money.

Mr Henwood—It is more a social issue than an economic one.

Mr ADAMS—The point was made today that there are other communities where there is no mine which have similar problems.

Mr Henwood—Yes. The proposition is often put, and I would not disagree with it, that they in a social sense are not much better off as a result of the mine.

Mr ADAMS—You gave evidence to this committee during the last parliament in relation to an exploration inquiry that we did.

Ms Purick—We did.

Mr ADAMS—Several smaller exploration companies have stated in submissions to us that there is a series of issues that they have problems with and which make it difficult for them to continue with exploration. Have you taken any of those up with government to go to COAG? Some of those issues cross states and are about federal and state regulations. Some of the issues include the lack of geoscience data and the inability of small companies to find and participate in cooperative government research. These are issues that have been coming through in submissions to us. They are more the sorts of issues that have to be discussed at COAG.

Ms Purick—I am not sure if they are companies operating in the Territory, because the provision of geoscience data, pre competitive, by the NT government is extraordinary and it is very highly regarded by industry. I am not sure what some of the issues are with some of the juniors you are referring to. With regard to the Native Title Act and operating on pastoral land, titles have been granted in the Northern Territory in both Northern Land Council and Central Land Council regions. There are issues around Aboriginal freehold and getting licences through in that regard. But there is no shortage of support from a regulatory point of view for those companies working with the government. As I said, the geological data is more than good.

Mr ADAMS—Some of the companies that raised it were Southern Gold in submission 54 and Compass Resources in submission 6, to name a couple. I will leave that with you. You might want to have a look at it and make a submission to us about it.

Dr Matthews—I have one comment. Hopefully, some of these issues, in terms of the variety of incentives and the access to geoscientific data, are being addressed by the action agenda. One other problem is lack of skilled people and another is land access. These are all factors which do create impediments. If you put them all together it is a bit of a problem, but individually, particularly in the NT, there are definite advantages or pluses to working up here.

Mr ADAMS—My last question is in relation to sustainability. The example of the AMP sustainable future funds was used again today in a submission to us. They do not believe that uranium mining is sustainable. ‘Sustainability’ is a word that is used today. Do you have any issues you would like to put to us in relation to that?

Mr Henwood—I think that is ultimately a scientific question. It depends on your definition of ‘sustainable’ and what the alternatives are. It probably has its problems, but if we—that is, the world, not so much Australia—want to maintain the energy supply that we take for granted the alternatives also have problems and someone, both scientifically and politically, has to make decisions about that.

Dr Matthews—When you look at Australia’s resources, it is definitely sustainable for a long time.

Mr MARTIN FERGUSON—They did admit in evidence they have BHP shares.

Mr ADAMS—Yes, they still have BHP shares. Even though they have taken over Olympic Dam, they told us that they have less than 10 per cent uranium. Of course BHP is a pretty good payer, and they are going to keep the shares in there, but they also make decisions pragmatically to keep the profit margin up there.

Mrs BRONWYN BISHOP—I would like to pursue some of the questions I was asking of the Northern Land Council relating to the employment of Aboriginal people. I asked the question: if there were a contract along the lines of the Canadian example, whereby there were specific employment and training clauses in the granting of a mining lease, would that be helpful to their people? How do corporations that are members of your council consider that question?

Mr Henwood—They are standard in all agreements. Whether they are native title agreements or land rights acts agreements, there are always provisions for employment and training.

Mrs BRONWYN BISHOP—Perhaps they need ramping up, because the outcomes are not good. Whatever the clauses are, they are not working.

Mr Henwood—The outcomes where?

Ms Purick—One of the issues we face here in the Territory—and I am sure elsewhere around the countryside—is that the companies often want to employ more Aboriginal people at their sites, particularly where they are located close to a community or to a couple of communities, but one of the main impediments is literacy and numeracy. Companies embark on their own bridging programs to get the young adults up to a level of literacy and numeracy such that they can work on a mine site in any capacity. The most obvious component is safety: you must be able to read the safety signs and everything that goes with the safety regime of a mine site. Yes, it is a problem, but the companies are always trying to address that issue in order to get more employment opportunities for the local Aboriginal people.

Mrs BRONWYN BISHOP—I think the Northern Land Council admits that literacy and numeracy are a fundamental problem.

Ms Purick—It is a fundamental problem in the Northern Territory, full stop, with our young Aboriginal people and students.

Mrs BRONWYN BISHOP—Do you think that is due in part to the policy they had of teaching English as a second language, virtually, for a period of time?

Ms Purick—I could not comment on that; I am not sure.

Dr Matthews—Jerry Grandey presented a good overview of the Canadian situation, but I think the situation here is quite different here. Cameco stated that it takes a long time to achieve the results that Cameco has achieved in Canada. We should certainly strive for that. One thing I would be very wary about is being very prescriptive, setting specific targets, because if you then do not achieve those targets it is a negative. I think we should strive to work very closely with the land council and the traditional owners to improve that, but not on a target driven basis, particularly where there are potential penalties. I think the thing to bear in mind is that it has taken us a long time in Canada to achieve those results, and unfortunately it is going to take a long time here. The industry has to strive to get to that point if it can.

Mrs BRONWYN BISHOP—Would you like to expand somewhat on what Cameco did to increase the employment of aboriginal people in Canada?

Dr Matthews—I think it is right across the education process, specifically starting with the youngsters in school and raising their level of knowledge and education.

Mrs BRONWYN BISHOP—Did you play a part in that, or was it simply the government's problem?

Dr Matthews—No, I think Cameco specifically did get involved in that. I think it is important for mining companies in remote communities to get actively involved in promoting that.

Mrs BRONWYN BISHOP—Would it be possible for you to provide us with some examples of what programs you used?

Dr Matthews—I did, in fact. I think it was a request from the committee, and I did send some information in. To be honest, I was a bit confused as to whether it got to you—I hope it did.

CHAIR—We have got it; we have not distributed it yet. Thank you for agreeing to appear here today. If there is anything further, the committee will contact you. The committee agrees to receive the document presented by the Northern Territory Minerals Council as an exhibit, as moved by Mr Ferguson.

[5.02 pm]

KENYON-SLANEY, Mr Harry, Chief Executive, Energy Resources of Australia Ltd

CHAIR—Welcome. Thank you for agreeing to give evidence before the public hearing today. Although the committee does not require you to give evidence under oath, I should advise you that the hearing is a formal proceeding of parliament and remind you further that giving false or misleading evidence is a serious matter and may be regarded as a contempt of parliament. I also remind you that the committee prefers that all evidence be given in public. However, at any stage, you may request that your evidence be given in private and the committee will consider your request. I now invite you to make a short opening statement before we proceed to questions.

Mr Kenyon-Slaney—I am the Chief Executive of Energy Resources of Australia Ltd, an Australian Stock Exchange listed company which is 68.4 per cent owned by Rio Tinto. I would like to acknowledge the Larrakeyah traditional owners, custodians of the land we are on, and I would also like to thank the committee for the opportunity to appear before you today. You have our submission. In addition, I would like to take this opportunity to provide you with a copy of a recent speech I made to a uranium industry conference in Fremantle. This speech covers many of the issues before the committee today and it also updates some facts and figures.

By way of context for our discussion, I would like to give you a very brief overview of the company and its operations. ERA is the world's third largest uranium producer after Cameco in Canada and Cogema in France, and last year we produced 11 per cent of the world's uranium oxide. Since 1980 the company has mined ore and produced uranium oxide at its Ranger mine 250 kilometres east of Darwin. The company's Jabiluka deposit, which is located 22 kilometres north of Ranger, is currently under long-term care and maintenance. The company sells uranium oxide to power utilities in Japan, South Korea, Europe and North America under strict international safeguards. Mining at Ranger is expected to continue until at least 2008, with milling operations continuing until at least 2011.

In nominal terms, ERA has paid more than \$A700 million in income taxes since 1980. ERA is a significant employer in the Northern Territory, with an annual payroll, including contracts for services, of \$45 million. The company is the dominant contributor to the Alligator rivers regional economy, employing more than 300 permanent, full-time and fixed-term contract staff, including at present 45 Aboriginal staff. Many more contractors, subcontractors and local businesses are also dependent on the company's business. The company has provided much of the infrastructure for the town of Jabiru, an important service centre for the Kakadu National Park.

During 2004, ERA paid \$8.1 million in royalties from the Ranger operation to the Commonwealth government, with the funds ultimately distributed to the Northern Territory based Aboriginal groups, including the traditional owners, the Mirrar Gundjehmi people. Additionally, ERA paid \$2.4 million in royalties to the Commonwealth government for distribution to the Northern Territory government. Ranger has paid a total of \$207.7 million in nominal terms in royalties since the project began in 1980.

The Ranger mine is subject to a very high degree of scrutiny and regulation and is often described as among the most highly regulated mines in the world. This is appropriate given its proximity to a World Heritage listed national park. We are proud that the Commonwealth's Supervising Scientist in his annual reports has continually stated that ERA's operations have never adversely affected the ecosystems of the park. I am happy to take any questions you have.

Mr TOLLNER—To your knowledge, how has the regulatory system for uranium exploration in the Northern Territory changed since the announcement by Minister Macfarlane that the Commonwealth would assume control of those resources and will the effect of the regulation of day-to-day operations impact on your operation?

Mr Kenyon-Slaney—I do not believe that the announcement has had any effect on the regulation of our operations and I do not believe that the ongoing management of our business by the Northern Territory will be affected at all.

Mr TOLLNER—So there have been no moves from the Northern Territory government to completely withdraw from the regulation of uranium mining?

Mr Kenyon-Slaney—Not as far as I am aware.

Mrs BRONWYN BISHOP—I am interested in the end product of the mining and the concept of utilising nuclear power. I am interested in the statements in your submission that China has nine nuclear reactors operating and it is constructing more, perhaps up to 40; that Finland has now embarked on a fifth reactor, the first in Europe for some time; that the demand for uranium will increase; and that in the Soviet Union there is work with the United States to downgrade warhead uranium down to commercial usage. All this to me tends to indicate that there is a confidence across the world that we can cope with waste that may result from utilising uranium for the generation of power, that there is a belief that it is a way of reducing the greenhouse effect and that the risk is not one that the world should be fearful of. In being a producer of uranium and seeing that end product, have you formed a view about whether there is a risk in dealing with the waste? I guess you keep abreast of the scientific evidence as to its benefits or risks that we propose to the world at large, as in the sort of evidence that we heard earlier. I would like you to comment on those questions.

Mr Kenyon-Slaney—We are a uranium mining company. The technology that you are talking about is far removed from the technology that we use at our operation at Ranger. My understanding is that it is currently prohibited for Australia to involve itself in or bring back any spent nuclear waste into this country. As a result, I think a view on those matters would be somewhat academic.

Mrs BRONWYN BISHOP—I accept the argument that a producer of the product does not have a responsibility to bring it back and deal with it. I thought the point made that we would have to bring back greenhouse gases from Japan because we send them coal was a perfectly good argument. But what I am interested in is your knowledge of the arguments that are given about the safety or otherwise of the industry in which you are involved. Its end product is producing energy. You are part of that energy chain. To put this sort of thing in your submission you must have a view.

Mr Kenyon-Slaney—We are a uranium mining company. I am not in a position to discuss with you the safety or otherwise of nuclear power plants or programs around the world. We sell our product to very reputable companies around the world. We abide by very strict international safeguards on the way in which we sell that material. We are monitored very strictly by the Australian government to ensure that our product goes to people who are at liberty to receive it. I am not quite sure where you are going and what sort of answer you want, but we are a uranium mining company and we are not involved in conversion, enrichment or nuclear fuel fabrication. As I understand it, Australia is not permitted at present to participate in those activities.

Mrs BRONWYN BISHOP—I guess you are telling me you do not have a view.

ACTING CHAIR (Mr Martin Ferguson)—With all respect, this is not going to that issue.

Mrs BRONWYN BISHOP—No.

ACTING CHAIR—Mr Kenyon-Slaney has obviously given the answer that is at his fingertips.

Mrs BRONWYN BISHOP—I just said that—I just said he does not have a view.

Mr CADMAN—I am comparing the regulatory regimes of Jabiluka and Ranger. To anybody unfamiliar with them they are a complex series of overlays of regulatory groups and committees and bodies and legislation, but they do appear to be quite different. If there were to be development at Jabiluka, what further regulatory processes would have to go in place, or is it adequately covered under the current outline?

Mr Kenyon-Slaney—If we were at the very beginning of developing a uranium mining industry in this country we would probably develop a slightly different regulatory framework. But we are where we are and we have a number of differences between the regulatory environment for Ranger and for Jabiluka. I think the particular nuances of how we would set those up would really need to be considered outside of this, and I am happy to give you a written submission on what proposals we might put forward. At present we do not have any plans to develop Jabiluka.

Mr CADMAN—I understand that.

Mr Kenyon-Slaney—We have made our position very clear; we signed an agreement with the traditional owners in February this year which requires their consent before we develop. There has been a lot of history behind Jabiluka and there have been consents granted for its development. The history of that process is set out in the speech that I made to the conference in Fremantle, and I will hand you that. But if you wanted a considered view on what suggestions we would have for changing the regulatory regime we would need to do that in writing. I am not in the position to do that face to face.

Mr CADMAN—I would like you to do that. It is so late in the development stage of Ranger it would be pointless going back over that.

Mr Kenyon-Slaney—I think the point I should make is that we recognise and accept that the regulatory regime needs to be strict and comprehensive. My view is that that is the case. As I said, I think if we started from scratch we would probably build it slightly differently, but we are where we are. History has delivered a complex mix of issues—the Aboriginal land rights act, the Local Government Act and the establishment of Kakadu National Park—and that requires a complex mix of different laws and regulations.

Mr CADMAN—So you only have a couple of years of mining left. Is that right?

Mr Kenyon-Slaney—We will continue processing until at least 2011. Mining will stop in 2008. We will then draw from stockpiles for the remaining four years to feed the mill at Ranger.

Mr CADMAN—I would like you to do a hypothetical on Jabiluka. Recognising that you have made firm commitments on both sides as to what the future of Jabiluka is, this is not a prospective process, or a coat-trailing process, for the future of Jabiluka but rather it is something to assist the committee for future development wherever it may be.

Mr Kenyon-Slaney—We are happy to put something in writing.

Mr CADMAN—I think that would be very useful. Thank you.

Mr KATTER—Do you have any reserves that you have not developed? I am not familiar with the details of Jabiluka. Do we have a lot of reserves on the ground there? What would be the value of the reserves?

Mr Kenyon-Slaney—The reserves at Jabiluka are set out in our annual report. Any question of reserves is obviously market sensitive information. In the event that we have any adjustment to our reserves, whether it be at Ranger or at Jabiluka, we are obligated to make a formal statement to the Australian Stock Exchange and to the media.

Mr KATTER—Surely you have given information to the Stock Exchange on your reserves at Jabiluka?

Mr Kenyon-Slaney—They are all set out in our annual report.

Mr KATTER—Yes, but what are they? I have not read your annual report.

Mr Kenyon-Slaney—I will stand corrected, but I think the reserves at Jabiluka are 71,000 tonnes of uranium oxide in the measured and indicated category, with a further 92,000 tonnes in the resources category. That is a total of 163,000 tonnes of uranium oxide.

Mr KATTER—What value would that have at current prices?

Mr Kenyon-Slaney—That entirely depends upon the marketing assumptions. If you took the spot price today, you would have to multiply those numbers by \$33 a pound. That requires a bit of mental arithmetic, but it is a very significant sum.

Mr KATTER—Are you talking about hundreds of millions or thousands of millions of dollars?

Mr Kenyon-Slaney—You would be talking about many hundreds of millions of dollars were that to be mined and sold at current market prices.

Mr KATTER—How many jobs would there be?

Mr Kenyon-Slaney—At the moment, at Ranger we employ approximately 300 people. We have a total company staff of 340. Clearly, there are quite a number of additional contractors who are dependent on the operation. There is no clear project for Jabiluka. Were it to develop, it would involve a mine and a plant. I think you could safely assume that it would be something slightly less, but it would be a few hundred people plus all the additional construction and associated activities.

Mr KATTER—So there would be a very significant benefit for the local economy and for the economy of the Northern Territory?

Mr Kenyon-Slaney—Were another operation to be developed in and around the area of Jabiru, it would certainly contribute in the way that Ranger has.

Mr KATTER—Why is the company saying, ‘No, we are not going to mine at Jabiluka?’

Mr Kenyon-Slaney—A lot of the reasons occurred before my time. I joined the company about two years ago. My understanding is that the history of the debate over Jabiluka has been extremely acrimonious and very difficult. It has touched the national psyche. One of the decisions that was made a couple of years ago was that the adversarial relationship could not continue. We decided to enter into discussions with the traditional owners to see how we could resolve the issue. The result was an agreement that was put in place with the Northern Land Council that saw us backfill the decline that had been constructed into the ore body some years before and establish a principle that requires their consent before we develop.

It is my view, and I think it is also the view of the majority shareholder of ERA, that it is very important that you do not bulldoze into people’s backyards and develop mining operations without their consent. Clearly, there was not implicit consent, given the adversarial nature of the debate over Jabiluka. Sometimes you have to take a step back before you can move forward. We are now in the process of discussing with the traditional owners what might happen. When the parties are ready, hopefully we will be able to move forward, but that long period of acrimony is still very recent and I think the parties need time to think about the future.

Mr KATTER—You were not here when I stated earlier, in respect of Ben Lomond, that I lived beside Mary Kathleen while it was mined for 30 years of my life. Mining and development started there 50 years ago and to my knowledge there has been not a single solitary case of any detriment to the environment or human beings. Ben Lomond was entirely different: the company and the government regulatory authority lied to the people and were found—this was proved—to have been lying to the people. First they said there was no leak. The second level of lies was that there had been a leak but it had not been at a dangerous level. Then the leak was discovered to be 10,000 times higher than the safe level. The third tier of lies was that it had not gone into the

Burdekin river system—which it had. Photographs clearly indicated that. This member of the committee would feel a lot more comfortable if we had some sort of regime of oversight that would ensure that that did not occur again. The government regulatory body let us down and the company, in its irresponsibility, most certainly betrayed the interests of every miner in Australia. The mine manager had already resigned over the safety issue, unbeknown to the government or the regulator.

CHAIR—What is the question?

Mr KATTER—The question is: can the witness provide us with some sort of an idea of a regulatory system—and this may or may not have occurred to him—that would ensure that those things did not occur in the future.

Mr Kenyon-Slaney—The regulatory regime that governs ERA and particularly Ranger is, in my view, very comprehensive. We currently have five independent bodies who monitor our every move. We have the Alligator Rivers Region Technical Committee, we have the Alligator Rivers Region Advisory Committee, we have a mine site technical committee, we have the Australian Safeguards and Non-Proliferation Office, we have the Northern Territory government and we have the Supervising Scientist, whose office was set up specially to monitor the environmental impacts that uranium mining has on the surrounding ecosystem. There is an extremely low threshold as to reporting and, as you have probably seen, an enormous amount of information is communicated widely and reported upon whenever anything happens. A spill of a litre of oil in the pit is communicated to the authorities. Personally, I feel that the regulatory environment is comprehensive. Certainly on my watch it is respected and accepted. I am sure that changes for the better could be made and that all the parties continually strive to make those. I certainly do not feel that there is in any way an environment where information is not communicated to stakeholders.

Mr ADAMS—Thanks very much for your evidence, Mr Kenyon-Slaney. I want to ask about events post 2008 and post 2011. Is there an agreement about what happens at Ranger post mining?

Mr Kenyon-Slaney—It is a very important issue for us. The future of Ranger will be of very significant importance to the local community. We continue to work on trying to optimise the reserves that we have at Ranger. We are looking at opportunities to process low-grade materials. In due course if that proves feasible that may conceivably lead to a short extension. But that is only going to be of very limited duration, so the future of Ranger and the future of the community will depend upon our ability to prepare for closure.

We have started a very comprehensive closure management process which we have communicated initially at half-year results, and we will be providing appropriately for that. We will close Ranger in an exemplary manner. I think the most significant issues and probably the most vexing of issues are going to be in the socioeconomic area, where the reliance upon Ranger in the community is very significant. Upwards of 70 per cent of the town of Jabiru is in one way or another connected with, or dependent upon, Ranger's operation. We are working very actively with all the stakeholders, the traditional owners, the Northern Territory government, and Parks to try to ensure that those issues are addressed and that we can withdraw from the area in as sustainable a manner as possible.

Mr ADAMS—Mining in Australia does not have a great record in this area. There is an agreement, I take it, with the Northern Territory government in relation to the mine's closure.

Mr Kenyon-Slaney—We have set out in our environmental requirements, which are attached to our lease, very clear regulations as to what we have to achieve. We are required to return the ground, the five square kilometres, to a standard which will allow its incorporation into the Kakadu National Park. That is a very considerable obligation and it is one that we have already started work on. We are required to remove all infrastructure. We are required to move the power plant. We are required to remove everything to do with the mine site and put the waste rock back into the pit, fill them up and rehabilitate all of the water. We have recently constructed a \$30 million water treatment plant to start the process of lowering water kept on site. Progressively, over the next five or six years before formal closure, we will move ahead with a range of technical projects to ensure that closure proceeds in an exemplary manner. I think we will be in the vanguard of scientific best practicable technology by the time we close Ranger, and I have every confidence that we will do it in an exemplary manner. But I think the issues are going to be more socioeconomic than technical.

Miss JACKIE KELLY—It sounds like you have a good story to tell, but you mentioned in your submission the negative perception by the public of your activities. You also note that there is potential for the public debate to be better informed. What are you doing about that? ACF are arguing that an increasing series of spills, leaks, incidents and reporting failures since 2000 has undermined the credibility of both the mining company Energy Resources of Australia and the current environmental protection framework and highlighted serious regulatory deficiencies. They go on to say that there are serious deficiencies in relation to the adequacy, effectiveness, and performance of existing monitoring and reporting regimes and regulations covering ERA's uranium operations in Kakadu. They say there is no adequate transparency or rigour—or confidence by the public—and it is not consistent with community expectation, best regulatory practice and Australia's domestic and international response, being to protect the value and the properties of the World Heritage List at the Kakadu National Park. Would you care to respond to those claims? What can you do to reassure the public that the regulatory regime is consistent with public expectations, and that they have the right to have every confidence in the regulatory authorities?

Mr Kenyon-Slaney—The Supervising Scientist, in his annual reports, consistently acknowledges that we have never had an effect on the surrounding ecosystems of the Kakadu National Park. The regulatory framework is very transparent; it is very comprehensive. We communicate every issue that happens of an operational nature to regulators.

Miss JACKIE KELLY—Do those regulators need to make that information public?

Mr Kenyon-Slaney—We have a very low reporting threshold. If they wish to make public the fact that a litre of oil has been spilled in the pit, they are perfectly at liberty to do so. A lot of the issues I have spoken about are of a relatively minor nature. The fact of the matter is that we take our responsibilities very seriously. We have a system in place to ensure that the environmental safety and health controls and standards are maintained, and when there are issues we move rapidly to make sure they never happen again. I think the communication around the issues that are referred to needs to be put in context, and details of the different bodies that regulate and

monitor us and who call for information and seek reports are set out both in the speech I made in Fremantle and in our submission. I would be happy to deliver that to you.

Mr MARTIN FERGUSON—When did Rio Tinto take over ERA?

Mr Kenyon-Slaney—In August 2000.

Mr MARTIN FERGUSON—The Environment Centre of the Northern Territory today raised the prosecution. They said how pleased they were to see you fined a couple of hundred thousand dollars. Can you detail for the committee the history of this, what is involved and what change in practices have occurred to try to avoid similar incidents in the future?

Mr Kenyon-Slaney—The prosecution was in relation to several incidents that occurred at the tail end of 2003 and in early 2004. They were two separate, non-related issues. The first issue was a water contamination incident in which processed water became connected to the potable water system, with the result that the potable water system became temporarily contaminated. We shut down the operation for two weeks, and we involved the Supervising Scientist and the Northern Territory government to ensure that those issues were addressed. About a year later the Northern Territory government prosecuted us for that incident. At the same time, there were a number of breaches of the radiation clearance procedures under which pieces of equipment left site with very small levels of radiation attached to them. That was unacceptable; it breached our own internal standards and, as a consequence of that, an investigation was launched by the Supervising Scientist again. In both cases, it has been confirmed and accepted that there has been no impact on anybody's health as a consequence of those incidents, but we took them extremely seriously. Frankly, they were unacceptable.

Miss JACKIE KELLY—Who picked them up—you or the Supervising Scientist?

Mr Kenyon-Slaney—We picked them up. The radiation clearance incidents were picked up through a combination. We were alerted to one of them and we picked up one of the other ones.

Miss JACKIE KELLY—If you had not reported them, could you have covered them up, as happened at Ben Lomond?

Mr Kenyon-Slaney—No, I do not believe we could have covered it up. We did not; we just do not have a culture of covering things up. Maybe other people do but we do not cover things up. We went through a process of audits that were set up by the Commonwealth government after the reports by the Supervising Scientist were issued. It was a very comprehensive audit process, with which we were happy to comply and, by the end of last year, we had met all three of the audits that were set up by the Department of Industry, Tourism and Resources. As part of the audit process and as confirmation of a lot of work we were already doing, we put in place a whole series of new procedures and practices which strengthened our compliance with our water systems in the plant and the radiation clearance procedures. Those have been signed off and given a ringing endorsement by ARPANSA.

Mr MARTIN FERGUSON—Was the report of the Supervising Scientist part of the evidence in the prosecution? There have been suggestions that officers of the Supervising Scientist are not rigorously doing their jobs in terms of putting the finger on your company with respect to the

requirements in health and safety and environmental safety et cetera. What do you say about the comments made today by the Environment Centre of the Northern Territory that, in essence, there is an in-house fix, which means that there is not proper accountability?

Mr Kenyon-Slaney—I led the company through its first prosecution in its history and it was not a particularly enjoyable experience. If you want to draw the inference that the Supervising Scientist is in some way in our pocket, it is difficult to see why it would have followed that course of action. Personally, I think the reports that were written by the Supervising Scientist were well-written and incisive, and the recommendations it made, I thought, were fair. They formed the basis of Minister Macfarlane's audit process and we complied with that. I would not endorse that view.

Mr MARTIN FERGUSON—Your company is serving as part of the government's task force on uranium mining at the moment?

Mr Kenyon-Slaney—Yes.

Mr MARTIN FERGUSON—The endeavour through this task force is to try and get a uniform system of regulation across all states and territories—is that right?

Mr Kenyon-Slaney—That is correct. The task force has three subcommittees which are looking at three different areas. One area is regulation, another is the competitiveness of the industry, particularly as it refers to logistics and transportation, and another is communication and information.

Mr MARTIN FERGUSON—In terms of regulatory issues, has your company made a submission that could be made available to the committee?

Mr Kenyon-Slaney—We have not made a formal representation to the committee. The work is ongoing with the subcommittee on which we sit. We also sit on the subcommittee looking at communication. We are actively involved with other members of the industry on that.

Mr MARTIN FERGUSON—Just on the regulatory issues, are you prepared to make available to the committee recommendations which you think we should have regard for?

Mr Kenyon-Slaney—I am happy to do so. That is part of the process of the Uranium Industry Framework group. I sit on the steering committee of that.

Mr TOLLNER—The longer you sit there, Harry, the more questions I have! I am just wondering if you can give us some more detail on the closure plan for Ranger. You spoke about the mine site itself. What is the case in relation to Jabiru? My understanding—and correct me if I am wrong—is that ERA would own several of the houses and a whole heap of other infrastructure. Actually, it might be worthwhile if you explain the ownership structure of the Jabiru township while we are at it. I would be interested to know what the impacts on the township are going to be.

Mr Kenyon-Slaney—I will take a step back. We are—

Mr TOLLNER—Actually, better still, before we go to that, we have heard about \$8.1 million in royalty payments and 300 jobs out there. They are significant social and economic benefits that come from your mine. I am also aware that ERA subsidises power to Jabiru. Can you just run through the other benefits that are provided by the location of the mine or by the company?

Mr Kenyon-Slaney—ERA pays 5.5 per cent of sales revenue in terms of royalties to the Commonwealth and to the Territory via the Commonwealth. That has amounted to several hundred million dollars over the life of the project. We have also contributed to a large amount of the infrastructure in the area such as the establishment of roads and the construction of the power plant. The supporting infrastructure in Jabiru delivers services to our employees and their dependants together with anybody else who is supporting us. As I said, between 70 per cent and 80 per cent, as I understand it at the moment, of the town of Jabiru is involved one way or another in Ranger's operations.

The broader work that we do in the community is very significant. We are actively involved with the local traditional owners on a range of social programs. We have been working with them on a youth centre, Aboriginal employment opportunities and trying to improve opportunities for schooling at years 11 and 12. There are programs in respect of alcohol and management. We work on the ground in the community on these issues constantly, and have done for many years. These are difficult issues that have no immediate solution but they require everyone to participate. We try to do that very actively.

Mr TOLLNER—With the closure of the mine, do those benefits—infrastructure and resources—disappear when the mine closes?

Mr Kenyon-Slaney—That is correct. When the mine closes, we are obligated under the environmental regulations that are attached to our licence to fill in the pits, remove the infrastructure on Ranger—which includes the power station—and remove the houses on Jabiru. Clearly, during that process, we will discuss with stakeholders what is to happen with that infrastructure and I guess there will be arrangements made to try to leave it in a manner which is of benefit. But it is very important to us to try to ensure that we leave a sustainable community. We will be working over the next seven years or so to find ways of doing that, whether it is through employment, development for small businesses or opportunities to leave infrastructure that is of use to people in the future. Clearly, that has major implications.

Mr TOLLNER—I have one more very short question. It certainly brings to the front of the mind the very substantial impacts that the closure and your exit from the Territory would have. In that regard, I am very interested to know what your relationship is like with the Gundjehmi Association these days. Has it improved from six months ago, from 12 months ago or from 18 months ago? I imagine a lot of these are confidential discussions, but is there any information that you can give the committee as to how your relationship is progressing?

Mr Kenyon-Slaney—My view is that the traditional owners are exactly that: they are the owners of the land. That is the situation that exists in our area. The Aboriginal land rights act is in place and we must respect the traditional owners for the role that they play. We have a very active, ongoing dialogue with the traditional owners on a whole range of issues. I would like to think—and it is probably for others to judge—that that relationship has improved markedly in recent years. I think the signing of the long-term care and maintenance agreement on Jabiluka

was a catalyst for that. But the reality is that there are some very pressing social issues in the communities around Jabiru. We want to be a force for change, if we can. We wish to work with the traditional owners in the community to try to make sure that we can leave something sustainable behind. That is our objective during the closure process. The extent to which we can do that will be the way in which we are judged. There is a lot of work to be done in that community. We have routine dialogue with both the traditional owners and their advisers on technical issues and on social issues.

Mr TOLLNER—Is it still your goal as a company to develop Jabiluka?

Mr Kenyon-Slaney—Jabiluka remains a very valuable asset for ERA but it is not going to be developed without the consent of the traditional owners—we are not going to go back to an adversarial, acrimonious environment where we force development on a people who do not want it—and I believe that that is fundamentally the right way to progress. If benefits can be identified that meet everybody's desires then the project will go ahead.

Mrs BRONWYN BISHOP—I just wanted to explore a little more your statement that the main problems from the closure of Ranger will be socioeconomic problems. Presumably there will be loss of employment; presumably there will be things that flow from that. Would you like to expand on that and on what will happen to those people?

Mr Kenyon-Slaney—We currently employ about 300 people in the town of Jabiru. There are a large number of contractors and businesses that are also dependent upon our activities. Progressively, that business will wind down. In 2008 the mine will close and then, somewhere around 2011, the processing plant will close. There will be a small ongoing presence there to manage rehabilitation and closure, particularly physical work and water processing, but it will be a shadow of the current industrial activity. The impact on the town needs to be understood better. There have been a number of initiatives to try to understand what the impact is going to be. The KRSIS study that was led by Bob Collins a couple of years ago started that process. We, together with Mirrar people, the Northern Territory government and Parks, initiated another process about two years ago called the Jabiru Regional Sustainability Project which had as its mandate the objective of trying to understand what the impact was going to be on the community amongst other things. This work is very important and I believe that it is probably the more important aspect of preparing for closure. The technical aspects can be managed, and we will finance them. Through dialogue we will establish what the traditional owners want, particularly the aesthetics, and we will deliver that. I think it is important that the socioeconomic issues are also understood so that we can try and leave something that is the best possible option for the local people.

Mrs BRONWYN BISHOP—So the 300 people who you currently employ, today have transferable skills. Let me put a hypothetical question to you. Should you ever be successful in getting Jabiluka to an agreement stage and the mine were opened, would the people who now have jobs at Ranger be able to transfer their jobs and skills?

Mr Kenyon-Slaney—I would have said that a large number of them would be transferable. The skills that are associated with driving equipment, maintaining equipment, operating plants, running payrolls and pensions and other skills would be transferable. But this is a hypothetical situation. We have no idea and no plans to develop Jabiluka.

Mrs BRONWYN BISHOP—I understand that. Do they have anywhere else where they could go to transfer those skills?

Mr Kenyon-Slaney—Rio Tinto is a large organisation. We have a wide range of activities across the country. Mining skills are in short supply and we would make every effort to ensure that those people had opportunities. I believe that we would be able to do that. Whether they would wish to leave the local community and the local area is something else but it is part of our closure process to ensure that the human resource aspect of closure is well managed.

Mrs BRONWYN BISHOP—Once the mine has gone, on the studies that have been done, is there any real prospect of economic activity for the town?

Mr Kenyon-Slaney—I think you would need to talk to other industries about that. The tourism industry is obviously important in the area. I am not aware of any other major industrial activity that might take place but certainly I am sure that those in the tourism industry will look to a bright future. There is little doubt that the closure of Ranger will have an impact and we are working very closely with the communities to ensure that we try to minimise the impact as much as possible.

CHAIR—Thank you for agreeing to appear before the committee today. Mr Ferguson has moved that the speech given by Mr Kenyon-Slaney at the Australian Uranium Conference in Fremantle be accepted as an exhibit to the committee. There being no objection, it is so resolved.

[5.50 pm]

JACKSON, Mr Richard, Acting Director of Compliance, Mining and Petroleum Compliance Division, Minerals and Energy Group, Northern Territory Government

SELLARS, Mr Richard James, Acting Executive Director, Minerals and Energy Group, Northern Territory Government

TAYLER, Mr Keith Thomas, Acting Uranium Adviser, Mining and Petroleum Compliance Division, Minerals and Energy Group, Northern Territory Government

CHAIR—Thank you for agreeing to give evidence before the public hearing today. Although the committee does not require you to give evidence under oath, I should advise you that the hearings are formal proceedings of the parliament. I remind you that the giving of false or misleading evidence is a serious matter and may be regarded as a contempt of parliament. I also remind you that the committee prefers that all evidence be given in public. However, at any stage you may request that your evidence be given in private and the committee will consider your request. I now invite you to make a short opening statement before we proceed to questions.

Mr Sellars—I have been passed a draft from our government that instructs us to talk to just one of the items today. If it suits the committee I will pass over to my colleague to give a short introduction.

Mr Jackson—I am doing this not knowing how much you know. I will say a few words about the administration of uranium mining in the Northern Territory and how that fits with our legislation. If committee members then have questions we will be happy to answer them.

CHAIR—It is valuable for the *Hansard* record, so assume we do not know.

Mr Jackson—Mining in the Northern Territory is conducted under two major pieces of legislation. One is the Mining Act and the other is the Mining Management Act. The Mining Management Act came into force at the beginning of 2002 and was a new piece of legislation which required mining operators to essentially have their operations authorised and to operate under a mining management plan, which covers both the occupational health and safety and the environmental aspects of the mining operations. That is an approved plan that is reviewed annually.

Since the implementation of the Mining Management Act, the Mining Act basically restricts itself to titles related matters. The issues of exploration licences, mineral leases and leases are dealt with under the Mining Act and the operational aspects are dealt with under the Mining Management Act. Again, prior to the introduction of the Mining Management Act there would have been, under the Mining Act, general conditions relating to how environmental management is dealt with on mineral leases. Those sections of the act have been repealed so we now have two separate pieces of legislation.

Section 175 of the Mining Act, which talks about titles, places a restriction on our minister in exercising his functions under the Mining Act. He is required to consult with, and have regard to comments made by, the Commonwealth minister, and that relates to all aspects of the Mining Act with the exception of matters dealt with under part IV, which essentially relate to exploration licences. The bottom line of that is that the Northern Territory minister could grant or reasonably refuse to grant an exploration licence but in relation to things like the grant of a mineral lease, which is the sort of title you would have perhaps for a new uranium mine, he is required to consult with the Commonwealth minister. There are similar provisions in the new Mining Management Act which require the minister to consult with the federal minister in relation to issuing an authorisation, which is the actual go-ahead for mining operations under that legislation. I will leave it there for the time being.

CHAIR—How will the regulatory system for uranium exploration and mining in the Territory change following the federal government's recent announcement that it will assume control of the mine approval process in the Territory? Will this affect the regulation of day-to-day mining operations under the Territory's Mining Management Act 2001, which you just referred to?

Mr Jackson—From our perspective and from the point of view of the operational level, there are no changes. There is obviously a bit to play out in the political arena but our understanding is that the Northern Territory government is keen to continue to look after the day-to-day regulation of uranium mining and that is something that is supported by the Commonwealth.

Mr MARTIN FERGUSON—On that basis, if in 12 months time the Commonwealth were to grant a licence for mining, you would expect that you would continue to perform functions for a new mine that you perform, for example, at Jabiru at the moment. I know that it is a hypothetical question.

Mr Jackson—I am not sure of the circumstances under which the Commonwealth would grant a lease for mining. I guess the hypothetical scenario is that there would be an exploration licence in place and the company that holds the exploration licence would make an application for a mineral lease and this government perhaps chooses not to process that application for a mineral lease with the Commonwealth, instead implementing alternative arrangements—maybe, we do not know yet. But if there were a mechanism in place which allowed the Commonwealth to grant a mineral lease to mine for uranium in the Northern Territory I suspect that we would regulate that mine in the same way we do other mines now.

Mr MARTIN FERGUSON—The last thing we need is a separate system of regulation. Would that be your view from a policy point of view?

Mr Jackson—You said it is a policy point of view so I should not comment.

Mr MARTIN FERGUSON—I did not say political—

Mr Jackson—We work well with the Commonwealth in relation to Ranger mine and the possible development of Jabiluka. If there were another one in the equation we would work just as well.

Mr MARTIN FERGUSON—This takes me to the next issue. In terms of the Office of the Supervising Scientist and all the different regulatory frameworks, you are participating in the government's task force looking at the states' and territories' regulatory frameworks at the moment?

Mr Jackson—I am.

Mr MARTIN FERGUSON—Have you any practical suggestions about how that can be streamlined? Also, there are questions raised by, for example, the Conservation Foundation and the environmental groups, about the integrity of relying on data produced by companies such as ERA.

Mr Jackson—Perhaps I will go to the second point first. Yes, Ranger does monitoring and provides results to us and the Supervising Scientist, and I understand that is publicly available through some sort of system. No, we do not rely on that advice. Both the Northern Territory government and the Commonwealth do what we call 'check monitoring programs'. They do not always know when we are going there. We take samples. We get our own results and the Commonwealth gets their own results. We would look at those results against ERA's results at approximately the same time—maybe even at the same time—and if there were any anomalies there we are onto that. That is the second part. Please remind me what the first part was.

Mr MARTIN FERGUSON—That is pretty important because the suggestion made by a variety of environmental groups is that there is not adequate public accountability in respect of the double-checking of that information. The first part was about the task force looking at potential uniformity across the states and territories for a regulatory framework. What recommendations have you made to that task force?

Mr Jackson—We have not made any recommendations at this stage. There have been two phone hook-ups of the group. You can understand that those sorts of things are pretty difficult. We are in the early stages of trying to get terms of reference and work out how we are going to offer suggestions into that process.

Mr TOLLNER—I am curious in relation to the NT government's policy on no more uranium mines. Were you asked to brief the cabinet or the Chief Minister prior to their decision?

Mr Jackson—I am sorry, that is a policy issue and I am not here to talk about that.

Mr TOLLNER—I am wondering whether you were asked to brief—

Mr MARTIN FERGUSON—He has answered the question.

Mr TOLLNER—In your view, has the presence of Ranger destroyed the land and caused irreparable environmental damage? Does uranium pose long-term environmental and health hazards for the people in the region?

Mr Sellars—Mr Tollner, the question obviously asks for a subjective answer, and it is a little outside the scope of an officer of the department to answer it.

Mr KATTER—With due respect, Chair, I think that is at the very heart of why we are sitting here today.

CHAIR—Bear in mind, Mr Katter, that there is a specific requirement that they only respond to item (d), and the officer's response is in accordance with that requirement.

Mr Sellars—Mr Katter, if you could bear with us for a moment, I will ask my colleague to talk you through the closure provisions that we have put in our mine management plans. While that will not go directly to Mr Tollner's question, it will go some way towards answering it.

Mr Jackson—I will make a comment in general terms. It is early days for Ranger closure. I heard the comments made by Mr Kenyon-Slaney. There is a requirement through the Mining Management Act and the mine management plans to implement appropriate and approved closure processes. You would probably be aware of the environmental bonds. I am not sure of the environmental bond that is already held against the Ranger mine—

Mr ADAMS—What figure is that?

Mr Tayler—I cannot quote the exact figure, but I believe it is in the order of \$68 million.

Mr Jackson—We can give you the exact number if you require it.

Mr ADAMS—Sorry, the chair has indicated that we have it.

Mr Jackson—Can I ask what it was?

Mr MARTIN FERGUSON—Mr Kenyon-Slaney is nodding at the figure of \$68 million.

Mr Kenyon-Slaney—It is \$63 million.

CHAIR—For the *Hansard*, I confirm that it is \$63 million. Please proceed.

Mr Jackson—I do not really have anything else to say on that at this stage. As I said, it is very early days for the closure plans. Ranger are yet to even commence presenting to us details of where they are heading in terms of closure. As far as we are concerned at this point, whilst there is a significant environmental bond it basically reflects the environmental ask at the moment, and we will deal with closure proposals as they come forward from ERA. For the time being, as far as we are concerned it is an operating mine.

Mr TOLLNER—Can you tell me how much radioactive waste is generated by the Ranger uranium mine?

Mr Jackson—Waste—from the mine?

Mr TOLLNER—Tailings dams. That is waste, isn't it?

Mr Jackson—No; it is mine tailings.

Interjector—Huge volumes of toxic radioactive waste—

CHAIR—Order! If you keep talking I will throw you out of the room. Mr Jackson, please proceed.

Mr Jackson—By our definition, it is not radioactive waste. It is mine tailings. I am not sure about the volume. Keith, can I have the volumes?

Mr Tayler—I could not give you a firm figure on the volume per annum. I can certainly find out for you.

CHAIR—Mr Tollner, would you like that information?

Mr TOLLNER—I would like that information. We tend to classify soil as waste. We would not actually say contaminated soil is waste, but it falls into that category. I am wondering what volumes of waste—for want of a better word—there is in the Northern Territory in that regard. Secondly, an issue raised by the Uranium Information Centre was the difficulty in shifting uranium mine product. They said the common causes for this relate to a lack of education on the part of shipping companies and excessive paperwork. Have you found that this is an issue for the Territory government and have you been involved in that? What can governments do to assist the industry to address transport related impediments?

Mr Jackson—I do not know whether transport is one of the terms of reference, but the Radioactive Ores and Concentrates (Transport and Packaging) Act, which is administered by NT WorkSafe, regulates that in the Northern Territory. My only comment is that we have been transporting this stuff in the Northern Territory for many years now and there are no issues as far as I am concerned.

Mr TOLLNER—I have to put it on the record—nothing disparaging to you poor fellows; you have been put here to try and wade through this—that I am rather disappointed in the Northern Territory government and the fact that they cannot come here, address the terms of reference and make comments on this.

CHAIR—Stick to questions on the regulatory side.

Mr TOLLNER—The point I am making is that there is very little that I want to ask about that these fellows seem to be able to answer.

CHAIR—They are addressing one of the terms of reference, and we are grateful that they are here doing that.

Miss JACKIE KELLY—You mentioned that you are not so reliant on ERA derived data, that you go out and get your own and rely on that to double-check. How often per annum does that occur?

Mr Tayler—I assume you are talking about water monitoring; there are two phases. Obviously, during the wet season, there is a surface water component; during the dry season, it is mostly groundwater. We do not take as many samples as the company. Our samples are designed

to provide a check, as are the Supervising Scientist's samples, to compare with the company data from the same time period, and obviously to show if there is any disparity between the two. The bore sampling by the NT government during the dry season happens probably just once a year, depending on the bores, but that is an artefact of groundwater—it moves fairly slowly. The surface water sampling occurs somewhat more regularly. The Commonwealth has an office in Jabiru that does even more regular sampling as well.

Miss JACKIE KELLY—How regular? Once every six months?

Mr Tayler—No. In the wet season, the NT government would be sampling at least monthly.

Miss JACKIE KELLY—Monthly—every four weeks.

Mr Tayler—I do not work for the Commonwealth, but my understanding is that the Commonwealth's sampling is more regular than that?

Miss JACKIE KELLY—So every two weeks?

Mr Tayler—I would not want to quantify what the Commonwealth does.

Miss JACKIE KELLY—Is it the same person that does it every time, or is it a different person?

Mr Tayler—We have a group of people that does our water sampling. It is a specific team that is trained in the techniques of sampling. It is quite a rigorous process, because it is easy to contaminate your samples. It is the same group of people that does the water sampling on behalf of the NT government.

Miss JACKIE KELLY—How familiar are they with staff of ERA?

Mr Tayler—Most of those people have been with the government and worked out in that area for a little while.

Miss JACKIE KELLY—Have any of them gone on to work for ERA or related companies?

Mr Tayler—I would not really be able to give you answer to that one—not to my knowledge.

Miss JACKIE KELLY—Have any of them come from ERA?

Mr Tayler—Again, I do not know the backgrounds of these people, but, as far as I am aware, no.

Miss JACKIE KELLY—I was talking about things like your potable water being mixed up with your radioactive water; the equipment that was radioactive leaving the site; those sorts of things. Where are those checks done? How long is it between those types of checks?

Mr Tayler—Are you asking if the NT government does site clearance checks on equipment leaving the site? No. Equipment comes and goes from that site probably 24 hours a day.

Miss JACKIE KELLY—So we are totally reliant on ERA derived data for that type of check?

Mr KATTER—That was the problem at Ben Lomond.

Mr Tayler—I am not familiar with what happened down there.

Mr KATTER—The data being taken was being taken by the company.

Miss JACKIE KELLY—So we just have ERA derived data? The Supervising Scientist or the Northern Territory government only has information and data on the groundwater quality.

Mr Tayler—No.

CHAIR—The ERA submission lists all the checks that they are required to conform with.

Miss JACKIE KELLY—We want to know what the regulatory agent has to do, because they say they are supposed to do it. The audit report for ARPANSA gave them a panning. ARPANSA was all ‘matey, matey’.

Mr Tayler—I cannot speak for the Supervising Scientist, though they have a completely separate monitoring program. They have a number of specialists there. They have a radioactivity specialist who visits Ranger site. He deals with the radiation safety officer and his understudy on Ranger site. I know he was out there just the other day. The NT government does not have a specific role in going around and swabbing vehicles on the Ranger mine site. We do have a program of audit and inspection.

Miss JACKIE KELLY—What is that?

Mr Tayler—We visit the site and conduct audits and inspections.

Mr KATTER—How often?

Mr Tayler—We conduct a routine periodic inspection every month. That involves not just the Northern Territory government but the Northern Land Council and the Office of the Supervising Scientist.

Miss JACKIE KELLY—Do you notify ERA before you go there?

Mr Tayler—For the routine periodic inspections, yes. We also conduct an environmental audit once a year. Then we follow that up about six months later with another audit to look at any issues and just to follow up on closure of those issues. If there is anything else that comes up during the course of the year, we also go out to the mine site and have a look at whatever issue it might be.

Miss JACKIE KELLY—Do you have any standard operating procedures for internal government regulation, like key performance indicators and how those auditors are supposed to do their job? One of the issues with ARPANSA was that it was just up to do the CEO to say: ‘Joe, go and do that one today,’ and ‘I’ve got a gut feeling that something is happening down there. Let’s send someone down.’ It was not a very robust system by which they periodically and unexpectedly performed audits.

Mr Tayler—I cannot comment on how ARPANSA conducts its audits.

Mr Jackson—Keith and a number of people who work in our division are qualified systems auditors on both the occupational health and safety and environmental side of things. The Mining Management Act, the Ranger authorisation and a number of other documents place a duty of care on Ranger to conduct its activities in a certain way. These audits are designed to make sure that the management systems are in place. As well as the regular systems of audits, there are mine site technical committees for Ranger—and, indeed, still for Jabiluka—where all of these technical issues are raised. In relation to that incident where the equipment left the site, and it turned out to be a couple of them, those were identified by ERA. We do not have anybody on the gate to check whether or not equipment is leaving the site with mud on the tyres. ERA is supposed to do that. They know they were supposed to do that. They fell down on that occasion and they brought that to the attention of government. From that point of view, I suggest that the system is working, by degree, absolutely. If they did not bring it to our attention, then we probably would not have known about it, but we work within a regulatory environment where people will bring that to our attention.

Mrs BRONWYN BISHOP—I want to ask you about Minister Macfarlane’s statement. You stated that you really do not see how the Commonwealth can grant a lease but that, if it did, you would probably manage it okay. But, if that statement did not mean that the Commonwealth could issue a lease, what did it mean?

Mr Jackson—I am guessing; I do not work for Minister Macfarlane. I think what he was saying was that the Commonwealth has reserve powers in relation to uranium and that, whatever steps they thought they would need to take, they would take. Currently there does not appear to be a mechanism in place whereby the Commonwealth would grant a lease in the Northern Territory, but I think what he was saying was that, if he were forced to do so, then he would do so.

Mrs BRONWYN BISHOP—In other words, they would put a mechanism in place to do it.

Mr Jackson—Absolutely.

Mrs BRONWYN BISHOP—Bearing in mind that the evidence we have heard is that the closing of Ranger is a technical issue and also a socioeconomic issue, are both those issues of equal importance to you? Are they dealt with together, or do you people sitting here today deal with the technical issues and somebody in a different silo deals with the socioeconomic questions?

Mr Jackson—I think the latter is the case. My group is responsible for regulatory matters. Richard is our general manager. The minerals and energy group of our department have a sort of

pro-development role as well as a regulatory role. But we have put mechanisms in place, through a recent review, to make sure that those development issues are kept separate from the regulatory issues to the point where we could come to loggerheads with our mine development people if we thought there were issues there. Richard's role is perhaps a little more overarching and Keith and I are more on the regulatory side.

Mr Sellars—I think the question was seeking to address whether our mine closure strategy covers off both environmental and social aspects. If it were an agreed part of the actual management plan it would. Currently, the proposals that we are working on are of an environmental nature and redressing the side issues themselves.

Mrs BRONWYN BISHOP—Is the answer yes, or do we have silos?

Mr Sellars—The answer is that our mine management plan and the agreements that we are working on at the moment with Ranger for our current plan are environment related.

Mr Jackson—You could call them silos but we like to think that the silos are at least talking to each other. I think the socio-economic issues would probably be of more interest in the possible start-up of a new mine. Mines close everywhere and that means people lose their jobs. We have seen some excellent transportability of people in the Northern Territory moving from one mine to the other. As Mr Kenyon-Slaney said, some will choose to stay in Jabiru. Others will move to new mines which will hopefully develop in the Territory. They may not be uranium mines, but the skills should be transportable in most cases.

Mr KATTER—I will ask the same question again. In the Ben Lomond case there was a state government assessment group, and the company told three tiers of lies. In sharp contrast to that, I have never received a complaint about Mary Kathleen. I have represented that area for 32 years and I have never received a complaint about the operations that occurred in that area. But there were two downstream lifter pumps that were pulling underground water up and putting it back into the tailings dam. They are not now operating.

What is the picture as far as you people are concerned? I do not think it is a very serious problem but, all the same, there were two underground pumps downstream from the tailings dam and they were pumping back into the tailings dam when the mine was operating. They are now not operating. What would your view be about underground water and any possible contamination from a tailings dam?

Mr Sellars—Are we talking about a site here in the Territory?

Mr KATTER—I am asking what the rules are, as far as you are concerned, to deal with any contamination of the underground system by way of a percolating effect from the tailings dam.

Mr Jackson—The short answer to that is that it is part of the monitoring process. There are monitoring bores downstream from the dam where those things are—

Mr KATTER—Underground?

Mr Jackson—Yes.

Miss JACKIE KELLY—After a mine is closed?

Mr Jackson—Usually, yes. It is part of the closure criteria that the monitoring will continue for a period, as agreed through the process.

Mr KATTER—Is the contamination of a high enough level for reasonable people to worry about?

Mr Sellars—I think that is a question which is really just about impossible to answer in the sense that it is a hypothetical question about water that we do not know the quality of. So I am sorry, Mr Katter, I do not think we can answer it.

Mr KATTER—I disagree with that observation but that is an answer; thank you.

CHAIR—Thank you for giving evidence here today.

Resolved (on motion by **Mr Tollner**):

That this committee authorises publication, including publication on the parliamentary database, of the transcript of the evidence given before it at public hearing this day.

Committee adjourned at 6.19 pm