



## ***Katherine – Vista Gold***

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***Katherine Godinmayin Yijard Rivers Arts & Culture Centre, Katherine***

***Speakers: Brent Murdoch***

Brent Murdoch: Hello. It's Brent Murdoch. I'm the Director and General Manager of Vista Gold Australia.

Hon. Justice  
Rachel Pepper: Thank you.

Brent Murdoch: We're a company developing a large gold mine 50 kilometres north of Katherine. Looking to kick off in the next 12, 13 months. We're pleased to provide a response to your interim document. It's not our intention to express an opinion on the merits or otherwise of hydraulic fracturing. However, Vista is concerned with the inquiries, terms of reference. Do not consider the impact of its recommendations on non-associated industries, like mineral first mining. As stated in the inquiry's interim report, one of the purposes of the inquiry is to assess and determine on a third point whether the existing regulatory framework is sufficient to implement these methodologies and if not, what changes need to be made.

A case in point, as recently as 2016, changes were made to legislation requiring gas exploration companies to have formal access agreements with other land tenure holders. This was done with consultation with government, gas exploration companies, and land holders. At the last minute, this requirement was extended to mining companies with zero consultation to the mining sector. In each of the areas already identified by the inquiry, there is obvious overlapping issues with order, land access, air emissions, public health, aboriginal people and culture, social impacts, economic impacts, and of course, regulatory reform.

Our first recommendation is that changes to regulation be extended to cover other non-fracking related activities without due process, specifically consultation with all stakeholders.

The second point, and there's only two in my submission, it'll be brief. There's a lot of confusion in the community ... when both the community and with our senior governing officials around what industry undertakes hydraulic fracking. The oil and gas industry, not the mining industry, carries



out these activities. As recently as last Sunday, the federal minister, Nigel Scullion, made the following statement:

"The mining industry still had some work to done before hydraulic fracturing was accepted by the community."

Second recommendation I would like to make is that care should be taken to ensure that the oil and gas industry remains differentiated from other industries, like mineral first mining. Thank you for the opportunity to raise the issues and I look forward to the positive impact the inquiry's recommendations will have with all its stakeholders. And, I think the document, the interim report so far, the vibe of that is very useful in other industries. I'm not suggesting that the mining industry is not going to leverage off this good body of work. However, I think the, and specifically regulatory reform, needs to involve a much wider audience than just one ministry. Thank you.

Hon. Justice  
Rachel Pepper:

Thank you very much, Mr. Murdoch. We didn't have any hand in the terms of reference, we didn't. They came to us fully formed, and we are, to put it bluntly, stuck with them.

Brent Murdoch:

Yes.

Hon. Justice  
Rachel Pepper:

So, accept that they don't capture associated extractive industries like mining. I also accept that it may well be that some of the reforms that we are likely to propose, regulatory reforms, may have an impact on extractive industries, but we are, and we must, by our terms of reference, only look at unconventional onshore shale gas. That is all that we are entitled to do under our terms of reference, but I do think the point you make about its potential wider implications is a good one. But we're stuck with those. Thank you.

Any questions? Yes. Dr. Beck?

Dr Vaughan Beck AM: I appreciate your concerns about that follow on effect, but I'm wondering if you could just perhaps elaborate for us in terms of the potential benefits and disadvantages of having a, if there were to be a gas industry sitting alongside an extractive industry like yourselves.

Brent Murdoch:

Oh, there'd be a mess of benefits. There's no question. I mean, having a larger critical-mass, having a larger economy in the Northern Territory, proving the capability, the local capability, has a mess of benefit, both social and economic that I'm sure my project would greatly benefit from ... and vice versa.

I also think the changes in environmental regulation, we would also benefit from in the mining industry. I think that the void that's there at the moment with trust in the regulators will be addressed in this current ... this is part of that being addressed, and that'll have significant benefits to the mining



industry. I do think we're certainly heading in the right direction. I just petition the panel that we ... there's other industries that it affects and not having the consultation like we had last year with access issues can be very detrimental. Can have unwanted outcomes, or at least not achieve the benefits that it could.

Dr Vaughan Beck AM: Appreciate those observations. And you note that there can be substantial economic and social benefits for the territory. What about the competition for resources between, say, gas and the extractive industries in terms of personnel, equipment, and so forth? Do you see potential problems in that?

Brent Murdoch: Absolutely. There'll be conflict. It'll be hard to get a local baker because they might be out in the ... doing gas exploration. Or they may be out on a gold mine. So, there's certainly, there'll be conflicts in the market, on demand and supply. It's our, from lessons learned in the past, it's our responsibility as developers to address that ahead of time. Taking point, there's always a lag and it does cause conflict.

Dr Vaughan Beck AM: And as responsible developers, how do you try to address that in advance?

Brent Murdoch: Preparing a work force, developing a work force or identifying a skill shortage, and making or creating activities that addresses that. In our project alone, we expect 2,300 people to come to Katherine Pine Creek area with a nominal population of 10,000, that's a significant change. And making sure that there's housing, making sure that there is public services for that change is something that we've been addressing over the last almost decade with the Northern Territory government and others.

Dr Vaughan Beck AM: That's a substantial increase in population to the Katherine area, so-

Brent Murdoch: Very much so.

Dr Vaughan Beck AM: Yes. So can you just outline some of the issues you've been discussing with the territory government, and what some of the potential resolution of those issues might be in the future.

Brent Murdoch: We spend a lot of time with local council, the mayor and identifying potential issues and then take those issues down to the minister's office or the departments, the lands and planning. We spend a lot of time with lands and planning. There's land that's being earmarked if the demand is real. That would be released and one of those stages has already been released. So, that's one example of how we prepare for this massive change that development will bring. Hopefully, it's positive. There's more positive-

Dr Vaughan Beck AM: We've seen examples within the gas industry where they have sometimes formed camps, which are then used for the high intensity construction phase. How do you see your mine progressing in that regard? Do you see some local camps? Or, from what you're saying there I don't think you're saying you see it happening perhaps within the township of Katherine.



Brent Murdoch: Absolutely. So we have a novel approach. It's in as much as we will incentivize our staff so, for every employee that comes to work for us we will provide them with a equivalent of a deposit for a house and they will be expected to go into the community and purchase a house and become part of the community. And after three years that will be written off. So, it's quite a new model, it's a different model. We spent time, like I say, with a lot of people in Katherine discussing what they wanted and what was likely to work. It fits two purposes for us. It obviously, it's a way of providing housing for our workforce but also it's our hope that it also stems a lot of the turnover and a lot of the issues associated with the boom and bust type operations and provides a more stable workforce and a more long term benefit for the community.

Dr Vaughan Beck AM: So-

Brent Murdoch: A large part, 20% of our workforce who actually believe is currently in Katherine doing fly in, fly out. They're actually leaving Katherine to work and coming back. So, that the opposite that we hear of with issues of fly in, fly out taking money away at the moment Katherine actually gets the benefit if you will, of that occurring. So, a lot of those people, I would imagine, would prefer to be home every night and doing the same sort or so.

Dr Vaughan Beck AM: That's very interesting. Could I just ask one, I think, final question?

Hon. Justice  
Rachel Pepper: Yes.

Dr Vaughan Beck AM: I've been given permission. We're being alerted quite regularly about this boom and bust cycle, so, within the gold mine area I suspect that you've got a peak in the construction phase. So, if you've got people coming in, you're providing deposits, there's a big building boom in Katherine. What happens at the end of your construction phase when you drop down to presumably a lower number?

Brent Murdoch: Sorry, I should have been clear. So, I'm talking about the operating phase of the project.

Dr Vaughan Beck AM: Oh.

Brent Murdoch: The construction phase of the project we will establish a camp out on the mine site.

Dr Vaughan Beck AM: Right.

Brent Murdoch: And that will be wound down in multiple, as we go into production. There's literally not sustainable to come to the towards the end of your construction phase where you've got a construction workforce and an operating workforce at the same time trying to be accommodated in a township the size of Katherine. And also, the comment we got from a lot of our public meetings was they didn't want construction people in town upsetting the



Feng Shui, that's a nice way to put it, for a very short period of time. You know, they expressed the wish that that be a more controlled environment.

Dr Vaughan Beck AM: Thank you very much for that.

Hon. Justice  
Rachel Pepper: Dr. Ritchie.

Dr David Ritchie: Thank you, I just want to clarify that the talking to the department of lands, was that the service industrial land? Is it?

Brent Murdoch: No, it's residential.

Dr David Ritchie: Residential? Okay, that's interesting, alright.

Brent Murdoch: We also attach our support to KMSA. They're the bids for a industrial precinct we think that would have a great benefits for us as a project. But the lands and planning that I've referred to is solely for residential.

Dr David Ritchie: For residential? Okay.

Brent Murdoch: Housing. We're very concerned that would upset the demand and supply so much that the housing prices would go to a point where your children couldn't afford to buy a house and would have to leave and work elsewhere when this-

Hon. Justice  
Rachel Pepper: A bit like Sydney or Melbourne.

Brent Murdoch: Yeah, like the city of Melbourne or Sydney.

Dr David Ritchie: Yeah, absolutely.

Hon. Justice  
Rachel Pepper: Are you able to provide ... this is really interesting and I mean we've heard sort of a number of different ways to incentivize people to stay. Some people have suggested six day weeks or even though maybe you have two on, one off or whatever that period may be. Insisting that there's a six day week to try and again encourage people to be in town, spend money there, buy in the local community. But this is quite innovative.

Are you able to provide any further information to the inquiry as to what other types of incentives or mechanisms that you're going to try and implement to try and, as I said, avoid that boom and bust and avoid the negative social impacts on Katherine, of the mine?

Brent Murdoch: Yeah, I mean, there's a raft of different initiatives so one of the primary ones we're particularly working in an area like Katherine is to involve the local Jawoyn people. So, we're on a freehold Jawoyn lands where we're developing the project so we're very fortunate to have a long term relationship. We've been able to provide that support where they get



continuing building an amount of benefits throughout the project, so, and not just providing services like buses or cleaning but more long term or businesses that require a much higher level of expertise and providing that support.

It's been my experience that if you just put out a tender, and it's awarded it tends to fall over, but we're very very poor in Australia in maintaining our contracts. Most other countries will manage their contracts or maintain their contracts on at least a six month if not a more regular basis. Where in Australia we say, "Well, that's it. That's the price and you provide the service." Where it's how it's how we've identified that doesn't give a good outcome, so, that's another area that we're already working with the Jawoyn looking at their long term strategic plan and how they are going to engage with the mine on both a business and also on a cultural level.

Hon. Justice

Rachel Pepper:

Can you give me, if you can, maybe give reasons why you can't ... a concrete example of the type of thing you are envisioning?

Brent Murdoch:

No. I wish I could. Sorry.

Hon. Justice

Rachel Pepper:

No, fair enough.

Brent Murdoch:

no-

Hon. Justice

Rachel Pepper:

No.

Brent Murdoch:

I mean these are discussions-

Hon. Justice

Rachel Pepper:

No, I thought I'd ask a question.

Brent Murdoch:

I would make the point, one of the things we have found in dealing with like the Jawoyn, aboriginal corporation is that it changes regularly. So, there's periods in time where the periods very easy to work with or to advance particular initiatives. And, then there's other times where it's more difficult and picking those times is important. It's difficult for-

Hon. Justice

Rachel Pepper:

Is that because you've just got people sort of ... you're to deal with different people? Is that-

Brent Murdoch:

Absolutely. You're dealing with different people of time that got issues, or a lot of things going on that I don't, guess, or presume to understand. And it's something that we're certainly mindful of and certainly cognizant of.

Hon. Justice

Rachel Pepper:

Thank you. Thank you.

Dr Vaughan Beck AM: Can I just...



Hon. Justice

Rachel Pepper: One.

Dr Vaughan Beck AM: You mentioned 2,300 people, is that during the production phase not the-

Brent Murdoch: That's during production phase. And, it's a multiplier. So, there's 450 people on the mine and the work that GHD have done for us back in 2013 indicated that it would generally transpose to 2,300 people. Including more teachers, police and bakers and etc.

Dr Vaughan Beck AM: Yes. Thank you very much.

Hon. Justice

Rachel Pepper: Thank you. Yes, Dr. Andersen and then Professor Priestly.

Dr Alan Andersen: Yeah, thanks Mr. Murdoch. I've got a question about the concern you raised about possibility of regulations recommended for the gas industry sort of spilling over to the mining industry. It wouldn't be a good outcome from your perspective and you gave the example of land access.

Brent Murdoch: Yes.

Dr Alan Andersen: But you've talked a lot about your relationship with Jawoyn and it seems to been a successful one despite some of those issues.

Brent Murdoch: Absolutely.

Dr Alan Andersen: Can you elaborate then, what is your concern then about?

Brent Murdoch: We use that as an example in order to try and provide some support to my point. Which on freehold aboriginal land so we're not subject to native title and in fact and not required to have a formal land access agreement but we also sit on the board of the minerals council at Northern Territory and we were very surprised to have that change in our regulations. It was at the last minute it was oil and gas and then legislation come out and mining. It was ... I have a concern that, that will happen in a lot of these other areas where a lot of work will be done under the auspice of hydraulic fracking and requirements to make a more robust environmental regime. And, that will just literally have end mining put on it and be extended to cover mines without having the consultation with our industry.

I mean it's ... I actually believe that most of the, 80% of the changes, won't require any sort of adapting but some will. Recycling our water would be a classic on a mine site. I mean we recycle hundreds of millions of litres of water a day on a single mine site as part of our normal activity up to tailings, and we recover that water and use it again. And, it's certainly one of the fears brought out in the interim report from the community that the recycling of water has certain risks. I would be concerned that those any changes that were made didn't have a consultation, or some consideration



of what we've been doing for a couple of hundred years in the mining industry, a very old industry.

Hon. Justice  
Rachel Pepper:

Thank you. Yes, Professor Priestly.

Professor  
Brian Priestly:

That all leads into the question that I wanted to ask in that, the thing that's been consistently raised with us in community consultations about the development of the shale gas industry is the environmental impacts.

Brent Murdoch:

Yes.

Professor  
Brian Priestly:

I wonder if you could relate to the experience you've had engaging with the community about the potential environmental impacts of your mining venture?

Brent Murdoch:

In my experience, and I had a arduous experience back in 2012 through 2015. We had no social licence and the mountain top mine was seen as a very bad project and something that shouldn't be supported to where we are today to where it's completely opposite. My lesson learned out of that, or the take home out of that, over those three years was that when the facts were put out and available for everybody to see, when the data was available to everyone to see and it provided assistance in how to interpret those. That one by one all of the fears were deemed not to be real or the perceptions changed and by going through that process we won the trust of the community and their trust is ours to lose. One mistake and unfortunately I'll have to pick up my family and move status, it's that sort of place in the Northern Territory.

So, the stakes are high. But, we were the first project to publish all of our environmental data on our website. For every single water essay, every single macro invertebrate study, all of our data that we have, bar none, including our calculation for the values we calculated for our environmental bond for each year of the operating project, are available on our website. And it was a conscious decision that we made knowing full well that times are going to change and that's most likely going to be a requirement in any case, so, we put it out there and we've never had any negative effect of doing that. So, in fact it was a-

Hon. Justice  
Rachel Pepper:

It's certainly the lack of transparent, lack of available data, transparency in that data has been something that has been raised by members of the public and community time and time again, we don't know.

Brent Murdoch:

Yes. And from an industry perspective how's that data going to be interpreted by non experts.

Dr Vaughan Beck AM: Sure.





Hon. Justice

Rachel Pepper:

Sure. Sure.

Brent Murdoch:

And our experience if they have questions they'll come and ask. And you can provide somebody with that expertise if you cannot do it yourself.

Hon. Justice

Rachel Pepper:

Thank you. Anything else? No. Again, thank you very much for coming today, Mr. Murdoch, that's been very enlightening actually for a whole range of reasons. As I said I'm a ... perhaps don't regret, but this is not a mining inquiry. You're perhaps quite relieved that this is not a mining inquiry. But I do appreciate what you've said about the following-up impacts of us making regulations. I'm not sure that we can do anything about this within the context of this inquiry and as I said we are stuck with those terms of reference but I'm sure that those who are listening, I hope have noted what you've said. But thank you very much it's been most useful.

Brent Murdoch:

I thank you for the opportunity.

Hon. Justice

Rachel Pepper:

Thank you.