



Katherine – Katherine Mining Services Association

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Katherine Godinmayin Yijard Rivers Arts & Culture Centre, Katherine

Speakers: Geoff Crowhurst

Geoff Crowhurst: My name is Geoff Crowhurst and I'm appearing for ... I'm the chairman of the Katherine Mining Services Association.

Hon. Justice
Rachel Pepper: Thank you.

Geoff Crowhurst: And would like to represent them today as an organisation.

Hon. Justice
Rachel Pepper: Thank you.

Geoff Crowhurst: So the first part that I would like to touch on is in regard to industry and the struggle that we have at present through the Katherine region with seasonal operations. That the ebbs and flows of the likes of live cattle, export, tourism and agriculture. All of these industries and others are very seasonal and we have to ramp up and ramp down to accommodate those industries which tend to lend to shorter term jobs in our service provision businesses. Which is what KMSA was developed for ... A voice for the service providers of our region.

All of these industries are global industries first to service, but struggle as I said with the ups and downs of keeping our people in permanent work where we see the onshore gas operations to provide stabilisation of workforce in year round continuous operations. Those year round continuous operations, being that all weather roads access would need to be put in to allow that to happen, which in turn would provide more work for our industry participants in the servicing and mine tinning and the building of all of those infrastructure requirements. And then the maintenance as well, if those are continuous operations there's always continuous maintenance as equipment is utilised and upgraded or moved to new sites. And that can continue on for longevity.

Some other industries that we deal with, defence being one of those. Speak of the ... In the ship building industry of the valley of death and these ... Where we need to continuous build ships not come and go with the ship building and the businesses that fold when the continuous operations aren't



continued. These are in a smaller situation in our businesses here in the Katherine region then what they would be with ship building obviously. But there's still the same feel of those ebbs and flows of what they speak of as the valley of death. That's probably a bit of a harsh term, but I'm just sort of using it to show that it does happen out even in remote regions as well.

So the next thing I would like to touch on is apprenticeships. That flow from the continuous operations of an industry. In a lot of our apprenticeships ... Our members presently are at probably a five year low. I think I touched on this in our first inquiry as well. Continuous industries help us to provide that opportunity to upscale our local youth and not have them leave our districts. That's one of the other problems that our youth don't have opportunity to get the training in their younger years that then bring them along to industries that they can spread out into. So we see some very large benefits in the gas industry being in our backyard for those reasons.

And not only apprenticeships but traded positions as well for those apprentices when they finish their time that they can then move into being a long term trades person in our district and possibly even developing their own businesses thereafter. I must admit as an apprentice where I did my apprenticeship in rice growing industry in New South Wales, I never thought that I would ever need to address a group like we are today. So you just never know where things can take you when you're younger. But if you use your opportunities when you are young those things become available.

I've addressed all sorts of groups in my later years of my trade and still run a business here in town. While I'm also out and about for presentations of all sorts.

So we also see spin off new business opportunities from the gas industry. Some of those I'll just touch on. Waste water treatment facility is probably a big one that we don't have presently in the territory and there are other needs for waste water treatment outside of the gas industry. And presently we have to transport our waste water across into Queensland to have it processed and dealt with, which is not an ideal situation. So the lack of that facility in the territory presently has its challenges for other operators as well. Katherine being as central as it is in the territory or the Katherine region and Tennant Creek ... Katherine anywhere in this area that facility could be quite well utilised.

Right across the developing the North Region that we speak of, which is a top of all of the Northern Territory and top of Queensland and top Western Australia, there's no facility in that whole region. So that could provide quite a few jobs here in Katherine and mitigate problems of travelling waste products a lot further distance.

This could also support something that I and others on the economic development committee working to with the government on an industrial hub. They are the sort of businesses that could be housed out in that industrial hub and make that a more usable process for getting that up and



going for us. The government is in support of that industrial hub and has done quite some work on that. You talk to some of the people that have been around in Katherine for quite some time and these things have been spoken about for a lot of years, but there has been a lot more movement in the last few years.

KMSA is actually formulating a strategy to work in conjunction with the Northern Territory government in investment pitch to some leading water cleaning companies for the setting up of the facility in the region. So we've actively in that process it's early days. These are opportunities that we see that we would like to capture for our community.

The other one that I think would be able to be developed is a weed and seed process facility. This is something that could be very much done by an indigenous group. We already see companies and I'll use an example of Triple P contracting down in Elliott. This is the sort of thing that they would be very able to do and achieve. Presently, once again, there isn't anything in Katherine that looks after that requirement. We don't even see many people using the requirement at the moment, as in cattle industry, that sort of area don't have any process much to it. There is a little bit I think. But whenever we've worked with oil and gas or defence with the defence builds that are going on at Delamere and Tindal presently, there are requests around weed and seed certification of equipment travelling through those regions. So compounding of these new businesses turns into jobs for our local people.

Another fairly new initiative that KMSA is working on is the getting an information office for the education of all community here in Katherine around the gas industry. We've heard there is a similar sort of outlet in Roma. And I think just the opportunity for all people to come to a little hub, I suppose, that would provide us all with information regarding the industry that we're all trying to make a decision about. And KMSA is active in that process at the moment so we're gonna keep moving with that and see if we can get something here for people to educate themselves.

So economic impacts. We're seeing the development of local businesses achieving up to triple ISO accreditation to operate and we thank the gas industry for some of this elevation of local industry participants. When you see the need for those requirements that helps provide the need to actually step your business up if it's not required, it's not worth spending the money to achieve these accreditations. But once you have achieved those accreditations it's amazing the doors that can open for your business. It's that chicken and egg, getting yourself organised to go out and spend the money, but once you've done that ... Bringing home some other customers that you may not have come across before. We all know that in the oil and gas industry that's where we are going to have to move to. So there's quite a few businesses in Katherine who ... Some that have achieved that already and some that are moving towards that.



Just like to touch on regulations. We need, I think, to have a flexible enough to allow exploration to be achieved and record data so that we are working with the facts throughout this whole process. The facts are the important part and if we haven't achieved and documented those facts it can make it hard to make an informed decision. And the regulations to move forward from that point to provide an evidence-based regulatory system. And I suppose that can be quite a live system all the time as things change.

The last point I would like to make is that KMSA would like to offer one of their members to accompany the field visits on the pastoral leases for an objective insight into pastoral industry practise and management of the resources. So we have people in our group who have been here a long time and worked across a lot of different industries throughout the region. So if you think that would be any sort of benefit, we'd like to offer someone to go with you when you do your field visits.

Hon. Justice
Rachel Pepper:

Thank you.

Geoff Crowhurst:

That's it.

Hon. Justice
Rachel Pepper:

Thank you very much. Mr. Crowhurst. When the moratorium was imposed, did you or do you know of any businesses that suffered a downturn in their businesses as a result of the moratorium? We have heard some reports of businesses which had to layoff people, layoff staff ...

Geoff Crowhurst:

Yeah, well I can talk direct from my own business that's been involved with the oil and gas industry for the last five years right through from the clearing of the seismic lines through to last year. We've had work every year in the dry season and this year we have none at all. Our own workforce has dropped from about 40 down to 15 at present ... 12-15. That hasn't all come from the moratorium, but it certainly has had quite an effect. We were expecting to be ramping up a lot more in our service provision to the oil and gas providers, where we've totally stopped. And that's our business alone, but there are others that are in the same situation.

A lot of businesses closed in town. If you drive through the main street you see shops that are shut. They might not be directly involved, but they are indirectly involved. It would be amazing to watch how far a dollar travels and where it goes, I'd imagine. But yeah, there's definitely a down turn and there would be some of that coming from the moratorium definitely.

Hon. Justice
Rachel Pepper:

But you can ... You feel confident enough to speak from your own first hand experience about the affect it's had on your business?

Geoff Crowhurst:

Yeah, yeah.

Hon. Justice
Rachel Pepper:

Thank you.



- Any further questions? I'll start from the end and work my way up. Yes, Professor Priestly.
- Professor
Brian Priestly: Mr. Crowhurst, you mentioned the revision of all of the roads would be a benefit to everyone in the region. One of the issues that we have identified as a potential risk associated with the development of the industry is increases of traffic density and so on. What impact do think that would have on the local region if there were large increase in large trucks and so on, moving equipment?
- Geoff Crowhurst: I think we only got to look to the Queensland infrastructure build and yeah, there was a rise in traffic for a period of years. And I'm thinking for two to three years, but then it winds off after once the operation is actually operational. So it's only the infrastructure build site where there is a large increase in traffic. I don't see it being anywhere near what we see running down our North South Highway. I wouldn't see it being anything like even that. So no, I don't think the impact's going to be detrimental, I think it will be more positive than anything.
- Hon. Justice
Rachel Pepper: Yes. Dr Henderson.
- Dr Alan Andersen: Yes, Mr. Crowhurst. I was just wondering if you could give us an indication if development where to proceed and your business where to ramp up to ... Back to 40 or more. To what extent would be able to source that capability locally here in Katherine, or you would need to sort of import that capability?
- Geoff Crowhurst: There'd be mixture of capability here in Katherine that we would bring back into our business and we would also look to bring families from outside into Katherine and community ... Get the numbers back up. We've been losing families out of Katherine for the last few years. So I would like to think that we would first always try to employ close, in and around our region, and then bring families back.
- Hon. Justice
Rachel Pepper: Sorry, yes, Professor Hart.
- Professor
Barry Hart AM: I had a question relating to the all year round operations. You extolled the virtues, the benefits ... The workforce benefits, and they're probably pretty clear. I was just wondering if you'd thought through some of the problems, issues with a year round onshore gas industry operation.
- Geoff Crowhurst: Yeah, and it's in once again those early stages of when the developments happening, that would be the time when the most danger is. But it's not uncommon to have a facility at the mine sites capture their water and keep it on site and have done for 40-50 years here in the territory. It's not an unusual thing to develop your site so that can tie in all site water. So runoff or contaminated runoff is actually put through a system.



We have a uranium mine in the middle of Kakadu National Park, which I actually worked at for six years, and the systems are old and very simple and they work right down to wetland filters that have a heap of plants and filter that actually take the contaminants out of the water as it flows through. Some of these systems aren't high tech at all. They're actually very organic how they work and it's not new. We've been controlling water on mine sites for a lot of years and there's been certainly a lot learned in that time and I think that would be where you'd go to make sure you had the right development of a site in its early stages. But once in operation of drawing gas, it goes back to just a minute little area that you actually got a well head at.

Professor

Barry Hart AM:

Can I just explore that a bit further. You're right, Ranger, but Ranger's got lots and lots of bitumen roads out to Jabiru, the old Jabiru [inaudible 00:21:34]. This would be a very dispersed industry with well heads and so forth, four and five kilometres from each other. I take your point about the waste water treatment, that's doable. There are issues and all the rest of it that you point out. What about the transport? Particularly if there was year operation of the actual hydraulic fracking process, what would you see ... Would you see mandatory that there are bitumen roads through the sites?

Geoff Crowhurst:

Wherever possible most definitely. The way I understand anyway ... The fracking is the start of the well, and may only get fracked once in its life but it may get fracked a few times in its life. It depends on the actual well itself. So we're talking about a smaller part of a life of a possible well that might be 20 or 30 years in its life and it gets fracked ... Say in its first part and then you haven't got that problem-

Professor

Barry Hart AM:

Agreed.

Geoff Crowhurst:

Then it's more around the service and maintenance, being able to get to that well head for repairs, maintenance or just servicing and data control I suppose ...

Professor

Barry Hart AM:

Absolutely, but that I wouldn't down play the time in which it's going to take. Now if you've got a well head that's got eight or ten laterals, that's a lot of drilling and and a lot of fracturing. So that's likely to occur over, I couldn't imagine it's gonna be done, in less than 18 months. So that means inevitably, they'll want to have big equipment on site.

Geoff Crowhurst:

And that equipment is mainly there to get it in there to start with and then getting it back out and moving it to the next site. Yes, it will have service operations around that to get into other ... But the main heavy stuff goes in and stays there until the frack is finished. So you'd be looking more at transportation of consumables, that might be food for people and what have you as well.

So all of those do need good roads to get ... To happen all year round. I think you look at Ranger, if Ranger hadn't have been there, they still would not be a road going out to that area. You'd still be travelling a possibly a dirt road



that came out of the old Jim Jim area there. You talk to some of the people that used to travel those roads and it wasn't fun.

Professor

Barry Hart AM: Did it myself.

Geoff Crowhurst: It was written up in books, but it wasn't fun.

Professor

Barry Hart AM: Thank you very much. Look, can I just go on to another ... You gave a list of potential new businesses, if there is a gas industry. I just wondered if you had any discussions with any of the three major players Origin, Santos and Pangea about possibilities? How do they view it?

Geoff Crowhurst: We have had some early discussion, it's sort of the things that we're moving through. The thing with KMSA, we are all volunteers and we all run our own businesses and can only divert so much time to it. We'd certainly like to divert more a lot more if we could. So those discussions are in early stages, but are obviously a support mechanism too, what would tried to be achieved. So yes, they are interested.

Professor

Barry Hart AM: Okay, thanks.

Hon. Justice

Rachel Pepper: Yes, Dr. Beck.

Dr Vaughan Beck AM: Just to follow up on some of the previous questions there. Just wanting to explore this issue of trying to have more constant employment throughout the year. So given that in the wet season, I think you mentioned additional hydraulic fracturing and cleaning out of wells and so forth so ... That would be work that'd be undertaken mainly by the big specialists, hydraulic fracturing organisations such as ..

What role to you see the service industries playing in that space, particularly in that wet season that you were talking about? And do you see that your workforce would be maintained, drop off dramatically or just drop off a small amount in that wet season phase of the work?

Geoff Crowhurst: Any other mine site that I've been on still maintains the same requirements all the way through. So I would say that we would be continuous with the people that we were servicing 'cause they need to be able to call on you to provide the service. So you need to have the people there ready to go at that particular time.

Also being that we haven't had this industry in our district before, so there's some unknowns for sure, but I think there's a little bit of confusion ... Not confusion but we get caught up with the rainfall of Darwin ... Related to that a lot, and we're 50% or less. Like last year the rainfall for Darwin was nearly a record of three metres up there, where ours was 1.2. And we range down as low as half a metre and the further you move South the more that changes.



So I think ... A little bit rapped up into what Darwin gets and that coastal fringe, very different to where we are and down to the Beetaloo Basin.

Dr Vaughan Beck AM: But presumably during the wet you wouldn't be able to do major road making activities or seismic line clearing. Would you say those large jobs would be much more difficult during the wet season?

Geoff Crowhurst: They're more difficult, but sadly enough we watch our roads get built every year in the wet season here, because of the ... When the government releases the money ... Because of our financial year, when it falls and when money is allocated, a lot of roadwork is actually done in the wet season.

Dr Vaughan Beck AM: Oh, I see.

Geoff Crowhurst: And it's not the best time, but there's operators here who have been doing it for generations and they're good at it.

Dr Vaughan Beck AM: Two other brief questions. You mentioned about KMSA as sort, are actively at least about starting up an information office to give out information on the oil and gas industry. What role is KMSA playing and how does that relate to some of the big gas companies as well? And who is taking the lead in this initiative?

Geoff Crowhurst: Well, we've taken the lead but we're looking for support from all groups to want to have their information in there as well so that it's an education shop I'd suppose you'd say. I think that's one of the problems with the whole ... Why we are sitting here having an inquiry, because people aren't educated in what it is and what it can achieve and the problems around it as well. So that's where we see it as an opportunity ... Literally more touch, and feel and see type thing with interactive ... We're not exactly sure what that's gonna be. This is a fairly new concept that we're put out. So hopefully it will go somewhere.

Dr Vaughan Beck AM: Setting up such and undertaking is challenging in many dimensions, but one of them is resources as well. So is KMSA in a position to resource that or ... ?

Geoff Crowhurst: No, we would help out in the time that we can, but also we would be looking to the others that want to have information in there to helping us as well.

Dr Vaughan Beck AM: Sure, thank you.

And finally, you mentioned AAA ISO accreditation. Just give us a very brief overview of what you mean by AAA ISO.

Geoff Crowhurst: All of 14,001 and 4801 and 9001 accreditations. One our local companies ... A security company have just achieved that. So they're the sort of requirements and the uplifting of their local business to those levels.

Hon. Justice



Rachel Pepper: How would that be relevant to sort of the gas ... If the government lifted the moratorium, how would that be relevant? So what sort of accreditation triple ISO accreditations would then businesses try and obtain?

Geoff Crowhurst: From what we understand those help you to work with the gas industry companies. I have got those accreditations themselves and then they need other companies to be able to work to that level. And it makes it more acceptable if your company has those accreditations to work direct to the gas industry and other industries. Federal Government contracts require all those accreditations as well. Being able to afford those is one of the problems that we have at the moment because of this up and down seasonal industries that we have presently.

Dr Vaughan Beck AM: So the triple ISO accreditation, I suspect that's a lot of increased documentation and training of staff. Are they some of the key elements that you would expect to undertake if you were going to achieve triple ISO accreditation?

Geoff Crowhurst: Yeah, so your procedures and documentation and training and it rolls into a lot of different areas for you to get your accreditation passed. And then it's a matter of holding on to it as well. It's not just as simple as getting it, it's maintaining it from thereafter as well.

But you need to have industry around you that make it viable.

Dr Vaughan Beck AM: Thank you.

Hon. Justice

Rachel Pepper: Yes, Dr. Ritchie.

Dr David Ritchie: Hi Mr. Crowhurst we've been spending a bit of time as you probably know down in Roma, Chinchilla and Miles and some of those communities. And one of the things that's come out ... Everybody is saying with hindsight we would have ... Knowing what was happening, we would have planned better for capturing a long term future for our towns. And getting our young people into apprenticeships as you've said. And it's always a bit of a constant battle because the industry takes what it wants when it needs it and it will fly it in if you haven't got it and all that.

I guess you've been thinking a lot about this and because while we all know ... If it goes ahead they'll be a lot of work being done really fast. And you've talked about roads, but some of the other things you've talked about like the water treatment businesses. There's a high likelihood that they'll come in from outside and come and go.

So what's your business thinking about how we can plan to get locals involved or to bring people in and keep them here for an extended period? Just interested to know how your kinda thoughts on that.



Geoff Crowhurst: Yeah, that's definitely be an outside company, there's not people here with that expertise presently. But it's jobs ... Simple as that. It's going to provide jobs and it's easier to employ someone here in Katherine than bring people and trying to house them. So there's a good resource pool here. So that then brings training requirements. And eventually people move up in those industries to move into the high level positions as time goes on. So yeah, it compounds it think.

Dr David Ritchie: Thank you.

Hon. Justice
Rachel Pepper: Thank you.

Anything else?

Mr. Crowhurst thank you very much for coming today and making your time available. I know you're busy. As all the people who present here, in front of the inquiry so we're very grateful for the effort that you've made. Thank you.

Geoff Crowhurst: Okay. Thank you for giving me the opportunity.

Hon. Justice
Rachel Pepper: My pleasure.