Darwin – Ms Contracting & Sully Pty Ltd

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Speaker: Bill Sullivan, Mark Sullivan

Bill Sullivan: Good morning. Thanks for giving us the opportunity to address the panel. Both Mark and myself are involved not only in the cattle industry, but also in the oil and gas exploration industry as civil contractors, probably one of the major civil contractors in the top end of the Northern Territory.

We'll go straight into it I think. I have read the report and the summary of the report, and I've no criticisms of it, one thing I'd like to be noted is that activists and other groups have made an art form out of stirring up the local Aboriginal population and using them. The general public probably has very little or no knowledge of the difference between the Aboriginal Land Rights Act and the Native Title Act. I'm sure the panel knows, but I think it would be worthwhile noting in future reports what the difference is. Under the Land Rights legislation, no one can enter Aboriginal freehold land without a permit. Whether they got an exploration licence or not is a ….point. Without the Traditional owners and Land Councils, they can't get in.

The way we're going to do this is we've got a list of stuff we want to talk about, and we'll jump from one to the other. We usually work together reasonably well without fighting about who's going to do what. What I'd like to go onto is the interim report notes. Shale gas is a fossil fuel and its use for usage greenhouse gas emissions are ... That is true. The INPEX plant in Darwin is hailed as a saviour of Darwin. It also produces exactly the same stuff in a larger quantity probably.

The question I have is why is one hailed as a saviour and the other one as a villain? It's something I think worth considering. There was no social impacts. There was nothing done on the INPEX plant. It was hailed as a saviour of Darwin and the Northern Territory economy. Whether that's true or not, I don't really know.

The main thrust of our presentation today will be on regional economic activity and the benefits of ... As we both work in the cattle industry, we both come from the regional areas, that's what we thought we should concentrate on. The Northern Territory treasurer recently said that even if the moratorium were lifted immediately and work started immediately,

there would be no benefit to the Northern Territory economy for the next four years. We dispute that. It's absolute fabrication.

…. of which government forward estimates run out for four years, so if the government was fair dinkum about framing a budget, they would be looking to put stuff in their forward estimates. We dispute the fact that there would be no economic benefit whatsoever to it. I'll just hand over to Mark now because he can give you a bit on the economic stuff or do you want me to do this little bit at the bottom of the page?

Mark Sullivan: No, no. We'll stay on the economic benefits. Do you want to do that bit?

Bill Sullivan: Yep.

Mark Sullivan: As Bill just said, if the moratorium was lifted, MS Contracting has clients that could spend more than 30 million in the first dry season, being 2018. Planning would happen over the wet season, and we'd be in operation by April of next year. All of this would go into a local economy as contractors employ people, purchase goods and services, etc. Everyone that we employ, all the services that we use are all local. Everything is local.

That's one of our big things when we operate, and it's one of our challenges we do have with oil and gas companies is using local because generally, the oil and gas companies are from East Coast. When they come up here to operate, they fly in/fly out a lot of their people. We've done the last five years in trying to change that, and which we have. We've had a good success rate with those guys, and we've built a very good relationship.

Also, you have your drillers, etc, that would come from the East Coast and so forth, but in time, progressing down the track, the likes of drilling operators and so forth would, I would dare say, reside in the Northern Territory and set up offices, etc. and also employ local. There's a drilling pipe company that was in Darwin as last year operating, which I just can't think of their name-

Bill Sullivan: I can't think of their name either.

Mark Sullivan: Now.

Bill Sullivan: But they were here.

Mark Sullivan: They had to shut down because of the close of the operation basically. They shut their business down, shut their doors, put all their staff off, etc. That's one example of where it's hit the economic side of it.

Bill Sullivan: If I could just cut in there. The other example is that we also shut our doors. We put a heap of people off. We could have had anything up to 80 people working in 2016.

Mark Sullivan: Just on that note there, we operate a lot with Pangaea, which you'd be familiar with. In late 2015, we were in the planning stages of constructing a bitumen road on the Western Creek Road, which services about 13 pastoral properties on that road there. Now it's not only just for that. The idea of it was to seal that road so we could get wet season access and operate 12 months, year round. Obviously, that would then provide all year round access to those pastoral properties and other people wanting to go through those areas. That road was going to be budgeted anywhere from 80 to 100 million. That would be then injected into the local economy, transform the lives of the operations and the businesses down that road, not only just the explorer.

As exploration moves into production, petroleum companies will be building infrastructure, roads, communications, etc, which will benefit the region and people who live there. In the calendar years of 2014 and '15, MS Contracting had a turnover of 40 million from the gas exploration alone, all of which is spent locally within the Northern Territory.

Just to flip from one page to the other now, this is just going back on some concerns that were noted in the report. The loss of habitat and the spread of weeds, land contamination and the impact of stock movements as a result of roads, pipelines and well paths is noted as a concern. In order to find a comparative example of this type of environment, there needs to be a similar situation to compare.

We used the Cooper Basin. It's an area which can be compared to the Northern Territory for the reasons being that the pastoral industry and the social environments are similar scale to the Northern Territory. The reference in my written submission, provided by Epsilon Station in the Cooper Basin, outlines the benefits of the infrastructure provided by oil and gas operations on their property. It also highlights the relationship they have developed with the oil and gas operators over the past four decades. This is the type of situation that's used for an example of the Northern Territory as it is most similar in the areas of pastoral, social environment and the development stage and the lifestyle. In other words, basically, within the whole operations in Australia where oil and gas is performed, the Cooper is the most similar to the Northern Territory.

There's also a mention regarding the increase of risk of fire due to the increase of activity in the areas of oil and gas operations. The additional development of roads and infrastructure will only add to the control aids of fire management. As a pastoralist, any road on my property is an asset and maintained as a fire management and control aid. By no means, me, as a pastoralist, would I deter anyone from putting a road in on my property.

Bill Sullivan: Just to go further on on that point, all pastoral properties put in fire breaks. The more you got, the better. If you get a wild fire come through from unused land next door, such as a national park, it can wipe your entire

property out. You might have 30/40,000 head of cattle left with no grass. The more fire breaks that you can burn back off, the better. For fire management, the more fire breaks that you can use to control burn of discrete areas is also much better. The more roads, the more fence lines you've got created, the better.

Mark Sullivan: Do you want me to jump on that?

Bill Sullivan: Yeah.

Bill Sullivan: No Aboriginal economic activity is vital for communities. I've been 50 years in the Northern Territory. I've been around Aboriginal people all of my life and I mean real people doing real things. We've employed them. We've worked with them. We train them. We do various things with them. The unemployment and the poverty in Aboriginal communities across Northern Australia is endemic, but it's probably worse in the top end of the Northern Territory, the Centre and the Kimberley.

There is no viable employment opportunities out there except in regions where you may find oil and gas. In 2015, Pangaea funded a half a million dollar training programme for 16 Aboriginal people, which MS Contracting run at Flying Fox Station, where we have a set up there of 32 rooms, kitchens, etc. It's a registered boarding house. Food operation there with NT Health. We run that programme there for six weeks. Everyone who came into it graduated except for one, who got ill …..had to go home. They were all offered jobs. They're all going in ... The programme was run both at Flying Fox Station and at the Pangaea drill sites, at our camp. They done some onsite stuff there as well.

They were all offered jobs. Then it was announced that if the Labour Party won government in the Northern Territory, they would impose a moratorium and therefore the whole project was cancelled and therefore there were no jobs available. Every oil and gas company that we work with ... We work mainly with four of the biggest ones around the Northern Territory ... Have all made the commitment to us that they will continue using that programme as a model to train Aboriginal people and offer employment. They won't get full employment anywhere, but it will help. It certainly will.

We can also train non-Aboriginal people on the oil and gas exploration industry as well, and that is badly needed because most of the civil operators, such as truck drivers, grader operators, whatever you get, are trained in town. They have no knowledge of living in a remote camp or operating in remote conditions. If we can actually train people out there, we will have regional employment opportunities in a great number.

Mark Sullivan: Just moving from that onto pastoralist sector. Pastoralists should be able to profit from their activity on their land, but should not be able to veto access

to the underground resources that have been legitimately purchased by others. This would be consistent of a secondary boycott. However, a percentage of the profits from production would give owners a second income that would help alleviate the volatility of seasons, prices, coupled with fairly negotiated access agreements would allow both industries to work together. For examples of this, look at the privately owned Epsilon Station, as I discussed earlier on with the reference from those guys in the Cooper Basin.

Properly designed resources for regions or royalties for regions, which I think I discussed in my written submission, would see the royalties for each region spent on infrastructure within the region, where's it produced and not syphoned off into city infrastructure to appease voters. This would go a long way towards convincing landholders that the benefits outweigh the disadvantages. I guess an example of that ... I was going to talk about that later on, but I might as well touch on this point now.

Hon. Justice Rachel Pepper: I should just indicate that the next speaker, Mr. Joseph …. is not able to attend this morning. He has cancelled or withdrawn, so we have extra time if that would be of assistance.

Bill Sullivan: Thank you.

Mark Sullivan: Thank you. Just to put an example down that I guess is ... Currently at the moment, down here, the Berrimah Research Farm has been shut down. That's getting converted to residential areas now. On that side of things there, I guess this relates to a social side of things, a social licence. Me, being a pastoralist, a Territorian, etc, who's never been consulted about what happens to that land as such ... Whereas the situation we're in and why we're all here today about the oil and gas is that everyone in Australia seems to have a say on what happens where I live. No one has come and consulted me directly on what my thoughts are on what happens in the region where I live, where I've been reared up. Also, I'm right in amongst the same industry what we're here about today is the oil and gas industry in the Northern Territory.

I think there's a lot of people from the East Coast of Australia that are trying to influence people up here that are unaware of the situation and so forth and trying to mislead them, I would dare say. In the same breath, no one has come and seen me or us in respect about what happens on my doorstep where I live.

Bill Sullivan: Just going on from that and talking about the economic impacts on the regions, the contrast between the city and the bush in the Northern Territory is absolutely stark. In the last year, there's been $100 million spent on a road, Tiger Brennan Drive, to connect Palmerston and Darwin. Now they're going to spend another $50 million putting in 600 metres of road up Barneson Avenue to access the CBD of a dead-end town. By dead-end town,

I mean you can't travel through it. It only goes there. You stop, you've got to go back out.

The amount of people who work in Darwin is not great. The amount of people who live there is not great and, yet, they're going to spend $150 on interconnecting roads. We cannot drive to town in the wet. Neither can most pastoralists in the Northern Territory. We can't send our cattle to market during the wet. We have the great danger of cattle .. suffocate on likes of Western Creek Road, which is just a dust bowl. We put six decks of cattle on that road and we travel for four hours to get to the bitumen. It's not a good animal welfare practise by any means.

The money gets spent here, and this goes back to the resources for regions. It also goes back to the fact that, as we mentioned earlier with the Western Creek Road, exploration companies and oil and gas production companies, when they come into a region, will build infrastructure. It's well known. Every mine that's been built in the Northern Territory has a bitumen road run to it. The government hasn't built it.

The funny thing about the bush, if you're a pastoralist, if you're a miner or you're a driller and you want to operate a business, you must build all of your own infrastructure. Yet, if you come to the city, it's all built for you from the money that is actually made from the people who live outside the city. The city does not actually make anything. Everything that you need in the city comes from outside of the city, comes out of the regions. There are no mines. There are no farms. There are no beef producers inside a city. It all comes from outside the city, but all the money is spent in the city.

What we're on about is actually decentralising or trying to decentralise the Northern Territory and get some activity. The towns of Larrimah, Daly Waters, etc, when I first came to the Territory, they were thriving little towns. They had a race meeting every year. They had social events. Larrimah now has one pub. That's it. It used to have a police station. There's no police station in the area. Daly Waters is the same. There's about five people live there.

These towns are right in the middle of the basin. They could be service hubs for all that area and generate economic activity through that area. It would mean that there's a possibility a health clinic might even start up there again one day or maybe a school will start up there one day. They used to have a school in Daly Waters. It was shut down because the population moved. Everything is Darwin centric. It is all centred here. Once you get past Noonamah, that's it. You can't even get a mobile phone.

Where Mark's got his property down at Flying Fox, the internet is so slow the kids can't download their school work. We need those things fixed. The only big future on the horizon for fixing those things is gas. We've got to have some sort of a project out there. I think I've mentioned in my

submission, the pipeline that's currently being built from Tennant Creek to Mount Isa. The ….Phosphate Mine is right on the edge of it.

If we want agriculture in North Australia, we've got to have fertiliser. Nitrogen is made out of gas. Urea is the biggest fertiliser we use. The next one is superphosphate. It will be shipped into trucks, put on a ship and sent overseas to be processed, and we'll bring it back. Where is the sense in that? We've got a pipeline with gas going past. They can process it themselves. Another big phosphate mine just out of Mount Isa can do exactly the same thing. In fact, Incitec is one of the biggest customers on the new gas line already for the superphosphate mine outside of Mount Isa. This is Australia's and Northern Territory's problem. We dig it up, we send it overseas, and then we buy it back. Before I get carried away, you can go on.

Mark Sullivan: I guess finally on the MS Contracting's side and also Flying Fox site and Bill's site, etc, as being one of the major players in providing civil service, etc ... Not only that. We provide numerous services to the petroleum exploration industry in the Territory. We have not been contacted by the consultants that are handling the social and economic impacts. At the moment, I can't think of their name right off of the top of my head.

Hon. Justice Rachel Pepper: Kofe.

Bill Sullivan: And the economic ones. I did-

Hon. Justice Rachel Pepper: Asel Alan

Bill Sullivan: They noted that you'd contacted them. We haven't received any contact whatsoever.

Mark Sullivan: We'd definitely like to sit up in front of those guys and have a chat about these issues. It relates back to what I said earlier on is that we haven't been contacted or no one's consulted us at all on what happens basically on my doorstep.

Bill Sullivan: I just noted some comments here on the water usage on fracking in the report and I'm not disputing that whatsoever, but I just wondered whether the panel actually realises that the water usage, fracking a well or fracking the entire Beetaloo Basin, is probably less than we waste in Darwin on swimming pools and washing motor cars and sprinklers left running during the wet on the roads and on the parks, etc. It happens in every city in the world I guess.

The other thing, we have 2.2 million cattle in the Northern Territory approximately. At an average of 40 litres per animal per day, that's 88 megaliters per day we use. A station like Beetaloo... Itself, Beetaloo Station runs about 80,000 head of cattle. That's 8.2 megaliters per day that they

actually drink. That's besides wastage of overflowing……..evaporation, which is about 40% in open-top…in the Northern Territory. That's 1,168 megaliters a year just on one cattle station. When you put it in context with the amount that's used for fracking, it's not a great amount of water. I hope we all know, water is reusable.

The other thing, going back onto the resources, is recently the United Nations Demographic Report states that over the next 70 years, which is less than my lifetime ... I've been around longer than that. The planet will increase by 2.7 billion people. By 2060, the Australian population is forecast to reach 40 million. We have to find the resources to support those people. Someone has to support it somewhere. They have to have energy, food, clothing, shelter and all the other things that go along with it. Locking up our resources in the ground is just a recipe for disaster for the future. It's as simple as that. Even someone as dumb as I can work that one out.

I noticed also in the report about renewable energy. Renewable energy may have a part to play in the future of those 2.7 billion people that are going to come along in the next 70 years, but without oil, gas and mines, you can't build a renewable. Not one single renewable can be built unless we dig up the minerals first. Even the great touted batteries going into South Australia, we need a mine to dig all the stuff up. There's no renewable energy source in the world that can produce enough energy to make concrete out of limestone. To smelt iron ore, you require a vast amount of heat. It's either coal or gas. There is nothing else I'm afraid. It's as simple as that. It's not my opinion. It's a scientific explanation. You can pump all the windmills into one place in a well. They won't produce enough heat to smelt limestone.

I guess that's about where we're at. We kept it reasonably brief, thinking we were on a fairly short timescale. We're quite happy, as we said earlier, to take any questions that might pop up.

Hon. Justice Rachel Pepper: Thank you. Yes, any questions?

Dr David Jones: Mr. Bill Sullivan.

Bill Sullivan: Bill, yep.

Dr David Jones: I've got a question about roads. In the interim report about roads … landscaping … various ….I was interested in your comment about fire breaks. When companies go ahead and say, "We're going to build a road," they say, "We're going to have a certain access corridor that we need." I guess could there be any recommendation in there about the minimum effective width to be consistent with being a fire break….

Bill Sullivan: There's several issues that pop up on that. They're all subject to negotiation with the pastoralists. We've been doing this for a number of years on both sides. If an exploration company goes in and says, "We need to access from

there to there," we ask the pastoralists which is the best way to go. In MS Contracting's operation, we stick to that rule. In a property just outside of Katherine last year, we changed the route of a road to go past one of their trucking yards. They cut two weeks of their mustering time by us putting that road in and leading it there because it's all very sandy country. They had to walk cattle out there. Couldn't get trucks out. We deviated the road to go past the trucking yard, and the road's still there. It was gravelled. It's packed. It made like a proper road.

Going back onto the fire regimes and the width of the roads, it's negotiable between the pastoralists. The bigger and the better the road you have on a station, the better. If you've got a station with thousands of squared kilometres, are you going to argue between a road that's five metres wide or eight metres wide? The amount of country you lose is negligible. Besides that, the benefits of that road will greatly overcome any of the small amount of grass that you may actually lose.

The same with those fire regimes. In previous times, I actually served on the Northern Territory Bush Fires Council when I was managing cattle stations. In those days, we used to have regional fire breaks running right from one side of the Northern Territory to the other. They've all been cut out. They're no longer there. The efforts of the Bush Fires Council in the Northern Territory today is flying aeroplanes around to put fires out after they start. Previous years, it used to be on preventing fires starting or getting away. The more fire breaks you've got in, where you can go and burn back offs to prevent a fire from spreading, the better it is.

Hon. Justice Rachel Pepper: Yes.

Dr Vaughan Beck AM: You mentioned at the beginning, I think, that there was $30 million that you'd be able to spend reasonably quickly. Can you kindly just detail what you'd be spending that on and over what timeframe please?

Mark Sullivan: Say it was 2018, that would be the 2018 dry season. That would be basically between seismic operations and drilling operations. In the area that we're talking about there, it would be on the ….. area, which is the Larrimah/Daly Waters area, around me. This is obviously all on the drawing board at the moment. Essentially, if the road that I discussed earlier on that we were going to construct on the Western Creek Road was going to seal that. That's planned to do over two dry seasons. That would be on top of the 30 million. That would be another $75 million project there.

Bill Sullivan: I beg your pardon, the money from our point would come down in wages, supplies, fuel, tyres. We've got engineering works in Katherine that builds the cellars and all that sort of stuff. It's spread around fairly well, but the biggest component to us is our wage, fuel and food bill. We'd put 50 in a camp. It's a fairly big build. We'd have probably 20, 30 pieces of machinery on a job.

Mark Sullivan: All that stuff is local.

Dr Vaughan Beck AM: And in terms of workmen, have you employed Aboriginals in the past or would it be a future activity that would be derived from the training programme that Pangaea was establishing?

Mark Sullivan: We've employed Aboriginals in the past. For sure.

Dr Vaughan Beck AM: Can you just give me an idea of how many?

Mark Sullivan: Quantity wise?

Dr Vaughan Beck AM: Yes, please.

Mark Sullivan: Probably over the last 10 years, probably 15, 10.

Dr Vaughan Beck AM: What would that represent as your total?

Mark Sullivan: In a demographic?

Dr Vaughan Beck AM: No, just as an indication ….

Mark Sullivan: 5%.

Dr Vaughan Beck AM: Thank you.

Mark Sullivan: Something like that.

Bill Sullivan: There's no reason that that can't increase. The fact is that as a contractor, we're there primarily to make money. That's your reason for being. Therefore, we look for the most skilled operators. There are very, very few highly skilled operators in Aboriginal communities. There are a number of them in town. Don't get me wrong, there's quite a lot of them around, but they prefer to work in town. Their families are here in Darwin. They don't necessarily like to go bush. If we can upskill them, no different to anyone else. In fact, on some issues, they are better than non-Aboriginal workers. If you put someone on a roller, it's a boring job. They seem to like it. They'll sit on a roller all day.

Mark Sullivan: In saying that, too, we've also got MAUs done up with local communities in our area, whereby if we've got any contracts ... This is not purely on oil and gas, but this is with anything. They will go and try and source guys out of their communities to come on the job sites with us, either skilled or unskilled, whatever it may be, but we'll find a place for them in that arena.

Dr Vaughan Beck AM: That's something that you've initiated yourself?

Mark Sullivan: Yes.

Dr Vaughan Beck AM: To help develop that programme that you're developing, what could further assist you to upscale the programme?

Mark Sullivan: The Pangaea/MS training facility that we ran in 2015, that's the starting of it. That's just the initial stages of getting the ball rolling. The biggest thing with employing Aboriginal people is that you have to form a nucleus as such. To try and get one to come along or two to come along and stay the duration is very hard. You have to start to build a nucleus, which then forms attitude. Then the outside communities to that, all of a sudden, they start to see this and they want to be a part of that as well. You create a culture is the word I'm trying to look for.

Once you've got that culture established, you've got five, six, ten or a dozen people on a site. All of a sudden, you've got them there all year. Whereas if you've just got one here and one there and so forth, it's very hard to keep them. They're very tied to their roots, their family roots, etc. The more culture then you can invest into that, the better it happens. You have to have a starting point, and the starting point to move forward was the operation that we started with Pangaea.

Hon. Justice Rachel Pepper: Can you give me a bit more information about that?

Bill Sullivan: The whole concept that we came up with that training programmes where you're going to be working in a remote area, living in a remote camp, doing three on/one off or four on/two off, whatever it might be, whether they be Aboriginal or non-Aboriginal, running those sort of programmes in Darwin or in Katherine is just a complete and utter waste of time. They start at 8:00 in the morning. They have a cuddle or whatever it is and then they go into doing a bit of stuff out in the back yard with a …Then they have lunch and they do all this. They get out onto the site and the first thing, they pick up one of these and say, "I've .. Where's the label Chicken chop. "It aint here mate."

This, we start at 6:00 in the morning. We knock off at 6:00 at night. We do 12-hour days. Why we developed at Flying Fox because it is in a remote area and we have the accommodation. We have all the facilities. It's set up exactly as our remote camps are set up. As I said, it's got registered kitchens and registered boarding house status as well. We run the training programmes there exactly the same as we run them on the work site. Breakfast is at 5:30 in the morning. They start at 6:00. They do their pre-start meetings. They go to work. They do the pre-start on whatever machines we might be using.

Then they go out and they actually do something. We go out onto one of the roads on the station, for instance, and say, "Righto, over the next six weeks, you are going to construct 5K of that road. If you mess it up, it doesn't matter. We'll just go back and do it again. It's a training programme."

We run all those exactly as we would run them on site including ... This is extremely important ... Radio communication. You get Aboriginals out of the community and you get them trying to talk on a public radio. When I'm saying public, there's 20 machines on that. They don't like doing it. They get all shy. They do all these sorts of things about it, but getting them used to that, getting them used to the lingo that is used over the radio because it is constant ... If you've got three graders and two water trucks in a row working on one stretch of road, your drivers are talking to each other about wanting more water, "There's too much water," "I'm turning," "I'm doing this." You have to get them used to that otherwise you chuck them on out into a machine and they freeze, and they cause problems, usually cause accidents.

I can remember we at one time hired a local water truck driver who'd been through a training course. Unless there's a standpipe there, he didn't know how to fill a truck up with water. When I asked him about it, he said, "Oh, but 10 of us done this." "How long?" "Three days." That's the sort of training and then they send these people out and tell them, "You've got to give them a job." Quite frankly, they're useless. It doesn't matter what race or religion they are. They're useless. You have to run them through the correct types of training programmes.

The other thing that happens at Flying Fox with the training there is they get used to the fact that they are working with other people. They have to have a bogey in the morning, in other words, they have to shower. They have to come into breakfast presentable because you're working with 40 or 50 people. They have to observe all our social niceties that go with living in a camp. Running them through Flying Fox for six weeks gives them the opportunity to actually learn all those things.

One of the worst things you can do to someone, an Aboriginal say, who's trained in town is drop him in a camp without a proper pre-training of what that camp life is going to be like. Usually by the third morning, they're out on the road thumbing a lift. I've seen that happen in mine sites around the Northern Territory for 40 years. It just does not work.

Mark Sullivan: Essentially, it's work ready. Work ready is the type of input that we try and put through.

Hon. Justice Rachel Pepper: With the 2015 training camp, did that run to completion? How many Aboriginal people, A, went through that and how many then were ... ?

Mark Sullivan: 17 went through it, and 16 completed. There's always an attrition rate, but that was surprising to all of us on the outcome of that. I do believe it was about that culture because we had so many of them there. They weren't all from the same area too. They were from Tennant Creek to the Roper area or Mataranka area. There was quite a wide range there, but once you form the culture ... We also had mentors there as well, but we made sure that we

sourced the right mentors to do those sort of jobs. If someone's dragging the chain a bit, they get in there and, "Come on, pick it up a bit." It is about setting that culture.

Dr Vaughan Beck AM: Could I clarify that? At the end of the programme, was there any formal certificate that they came out with or it was just-

Bill Sullivan: Yes.

Dr Vaughan Beck AM: A general training?

Bill Sullivan: No, they all end up with a Certificate 2 in Resource Infrastructure.

Dr Vaughan Beck AM: You are a registered training organisation?

Bill Sullivan: No, we had a registered training organisation comes in and runs the actual training. We actually manage the programme. We provide all the resource, but we do not ... We have registered trainers come in and do it, but they do it to the way we want to do it.

Dr Vaughan Beck AM: Good.

Ms Jane Coram: Do you know how many of those participants are now employed?

Mark Sullivan: I couldn't tell you off the top of my head. Every now and then I will get fellows ringing us up wondering what's happening, "When's Pangaea going to start?", etc. Those sort of things. If we were still going, we would have those guys on. We'd have some of those guys on for sure. As Bill said earlier, on there, we've gone from 50 odd men or so back to three.

Hon. Justice Rachel Pepper: Yes, Mr Priestly.

Professor Brian Priestly: We've heard that in some other regions, particular in Queensland, where the gas industry was rolled out, that it was somewhat unregulated and led to a boom and bust situation in some areas. Do you think it would be important if gas industry development was to occur in Northern Territory that there be some sort of regulation of the pace at which it rolls out?

Mark Sullivan: Personally, no, I don't think so because of the scale in the type of operation being coal seam versus shale. The shale operation is a lot longer, a lot longer process, etc. Plus, we don't have the infrastructure for a rapid movement really anyway. We're starting from a virgin canvas, so to speak. The boom and bust situation now, personally I think that can be measured governmentally wise by putting incentives in there, say tax incentives for people to relocate, decentralise ... This is on a federal basis obviously as well. For decentralisation with tax incentives, tax breaks, etc, to promote

those sort of things and get people to move to the likes of the Northern Territory and regional Northern Territory.

I will say that if let happen, a boom and bust situation could happen if the government let's it happen, but there's negatives….to counteract that. The biggest problem we have with the Northern Territory at the moment is population and it's decreasing. It's not increasing. In order for us to have growth, we have to have an increase in population. We're not going to have … without that. We will consistently be a fly in/fly out state, so we need people to move here. We need people to reside.

One of my ideas would be tax breaks, etc and so forth. Also, not on a personal basis, not on an employee basis, but also on an employer basis. For companies to be able to relocate their businesses, set up offices in Darwin, have their key management people reside here, etc, and those sort of things. I think that can be managed.

Bill Sullivan: I've actually been through two gas boom and bust operations. One was the first gas plant here on the Darwin Harbour. The other one's the one that's being built currently. I've also spent some time in Queensland there. I know what the boom and bust done to the towns of like Wallumbilla and Roma. The big contrast to that in the Northern Territory is that where the Beetaloo Basin is there are no towns. We will be setting up separate camps and, as I said before, Larrimah and Daly Waters have the potential to revitalise as supply depots, but there is no town there that would increase their population by 500% for five years.

The boom and bust in the gas was not actually a boom and bust in the gas in Queensland and those places. It was similar to the so-called mining boom. It was a construction boom. It was when they were building the actual infrastructure ... The gas is still going. It's still there. It's the pipelines that they put the big camps up. There's a 200 men camp and a for sale sign at Wallumbilla for the last three years. They haven't been sold yet. I come from that area. I come from …. originally. Wallumbilla was 50 people, and then suddenly it was 500 people or 1,000 people or whatever. Then it went back to being 50 people again. Same with Chinchilla, all those places, but that was construction. With construction of the gas fields in the Northern Territory, they're going to be isolated.

Hon. Justice Rachel Pepper: Yes, Dr. Ritchie.

Dr David Ritchie: Bill, just listening to your discussion about the need to establish a culture within the workforce and just knowing your background and having been over to Queensland and seen how some of this doesn't work, I'm just thinking that would ... Just comment on this and think about it. Do you think that your success with the Aboriginal workforce is partly due to the fact that you're coming from a pastoral background and able to tap into that long history of Aboriginal people being very comfortable in that industry and

you're being able to take that and then use them in this new industry? I suppose my point is would you recommend that the gas industry needs to collaborate with the pastoral industry to really get the real benefit out of a rural workforce?

Bill Sullivan: Absolutely. It comes back to two things. It is our background in the pastoral industry and our long-time history here in the Northern Territory and the Kimberley. We've been employing Aboriginal people since I came here in 1966 or something like that. It's been a long time. We actually know a lot of these people, but the other thing that is important ... This is totally politically incorrect, I can guarantee you. We know how to sit down with a black fellow under a tree and eat a rib bone and talk to him. Most of the people out in the city go there and they have this hangup about culture and, "We must do this," and the victim mentality and all the rest of it doesn't work. The Aboriginal people can see straight through that. They just say, "Oh righto, you're going to give us some money to go to training. Yeah, give us 500 bucks. We go to training for a week. I don't do anything with it." They sit down and talk to us, they know we're fair dinkum.

Mark Sullivan: I think you're right, though, with the connection between trying to form that unity, but probably not just a pastoral basis that helps us. It's just being local. They know who we are. We pass them on the road every day. That is probably one of the big things in this which we haven't mentioned too much on in the presentation. If or when the industry takes place, is how the government control ... This is another thing that the government can control is companies coming up here and whether they bring all their services and all their employees from the East Coast or it's put on them that there's a buffer on there. They have to use 30% or something or local people and they have to prove that. There's a process order, something like that, to prove that. Those mechanisms need to be put in place so in other words local people get used, local communities get used and then we can start to build on this deal in the training side of things and employ local people.

Professor Barry Hart AM: Do you have any examples around Australia of that process, that government-controlled process?

Mark Sullivan: Not really.

Bill Sullivan: I can give you some examples, just not going onto the Aboriginal thing, but onto the pastoral side of using locals, we worked with a company in Central Australia a few years ago in 2013, … We got up onto some ... We won't mention the names of the cattle … but we got up onto …Highway there. We were under the control of the company man, who they'd brought out of the Surat Basin.

Their water was very, very scarce. We had a couple of drill pads and some roads to build up there. Under their instructions, our people actually went onto a station without permission and took water. This caused all the

ructions in the world, I can assure you. We were barred ... The company was barred, not us, from actually accessing any water there whatsoever. We sat down for six weeks. They were paying us stand-down money while they were trying to figure out what they were going to do. They didn't have the faintest idea what they were going to do.

Mark was at Flying Fox. I was up here. He rang me up. We had a conversation on the phone. We found a name for a main road supervisor in Tennant Creek. We contacted him and said, "Have you got any bores out there on the ….Highway?" He said, "Yep, there's one out there. You can use it. It's 10Ks from your camp. I went past there the other day." Mark flew down in a helicopter, found the bore, rang me up. I ordered pumps out of Mount Isa. We run a hot shot, run out there. Within 24 hours, we had water coming out of a hole.

We done the thing and we got it done. That's the difference and the fact is that ... Then Mark went back there and smoothed it all over the pastoralists because it was …. war. Mark can probably tell you more on that, but that is an example of local people knowing people who you can actually pick up the phone.

Same thing happens with access onto pastoral properties. Companies from interstate come here, they usually got a company label on their shirt and a tie on and a brand new pair of moleskins and a hat that's never been worn before. They go down with a big pile of papers and say, "Right, we need you to sign all this. We want to come onto your property." They're just told to get lost usually. The difference is we can pick up the phone say, "Yeah, we want to come down … mate. What time smoko on Thursday"I don't know. Come down afternoon," whatever. We work out a time.

We go down there. We usually pick up the local papers on the way up. Take them and sit and have a cup of tea talking about cattle, horses and pasture for about two hours. Then you actually get onto the subject. …. "Yeah, no worries. What's your problem?" We don't have a problem. We've never been refused access to a pastoral property yet.

Hon. Justice Rachel Pepper: Yes, Dr. Andersen.

Dr Alan Andersen: The panel's heard a great diversity of views from pastoralists on fracking in the NT. Of course, Cattlemen's Association does not support fracking. I was wondering, what are your thoughts on the concerns that other pastoralists have about fracking?

Mark Sullivan: I think a lot of comes down to what I mentioned earlier on is everyone in Australia has a say on what we can do on our land. There is a lot of propaganda out there. There's a lot of issues out there. You go to Central Queensland and pull an example out of there and try and bring it back here and use it in the Northern Territory about say our relationship between the

pastoralists and our exploration community as such. I guess those issues are there.

All I can say on my side is I've never struck that and by wearing both hats, I'm on both sides of the fence. As Bill was just saying, every property that we've dealt with, we've never had a issue. The operators that we're providing services to, they've never had a issue. If there is issues, most of the operators that we work with come to us and say, "How do we fix this? How do we get to an agreement on this deal?" We go and sit down and talk with them, bring the issues up. It's a basic scenario.

I guess the biggest contribution that we can get as a pastoralist out of exploration ... Forget about production for this stage ... Is infrastructure for development that you can get put on your property. Any infrastructure that you can get put on your property is an asset. That's what's been the discussions that we've had. I guess they all come down to exactly like the example about the road we put into the cattle yard. That was a CPC property. That yard had never ever been able to get a truck to it. There's an example. CPC weren't quite pro on the oil and gas side of things, yet we're there putting infrastructure on the property and they've got a yard now that they can truck cattle directly out of. That's just an example of what does happen.

Everyone's got their opinions. I think everyone does have their opinions, but being that one person owns the top of the land and a totally separate entity owns the bottom side of the land, there's an issue there, and we have to work around it. I think the idea of vetoing these sort of things, I just ... We'll be here and we'll be still here 20 years time talking about that I think.

Bill Sullivan: I'm quite happy. I got a smaller place just outside of Katherine, which has one bore and the rest of the places run on springs. The place I got at Berry Springs here, I run more than a beast to the acre on that, which is unique for the Northern Territory. It's all natural water except the house pool. I'm quite happy to have someone put a drill down there and frack it.

When you go down to the Cooper Basin and look at the gas wells down there, half of them go through tributaries of the Great Artesian Basin. Then last year, the Queensland government in Santos done a report on that. There has been no problems in 15 years. It's one of the most precious underground water resources in Australia, and I'm quite happy to have them frack it. Properties that I own, no problems at all.

I know how it works. I think this is a lot of trouble with pastoralists is ... The internet's probably got a lot to do with it. You can find whatever you want on there, and whatever you want to believe you can believe. Mark and I've been involved in both sides of this industry. We know exactly what happens down that hole. The other point that is extremely interesting is that Pangaea

and APPEA run workshops for two hours, three hours at a time all up and down the track here. When was that? Eight months ago, last year, wasn't it?

Mark Sullivan: Yeah.

Bill Sullivan: I never seen any cattlemen there that are objecting to the exploration on their land. None of them attended that, and it wasn't bias I can assure you. It was run by engineers who showed exactly what happens down that hole and how they go about it. No one came along to actually see for themselves where it come along. I never seen one person ... Sorry, I did, the Labour candidate for Katherine attended one down there. I never seen any other person from the government actually turned up to see how this was done.

Several of them that I've spoke to, I've asked them if they know what the process is, and they say, "No. It's bad." No one's going out to inform themselves. I never seen the Cattlemen's Association, and I attended nearly all of these things. Never seen the NTCA actually send an attendee along to those workshops. A lot of them are speaking in ignorance.

Hon. Justice Rachel Pepper: If the government lifts the moratorium, do you think there needs to be education, pastoralists, one, from I guess the engineering side and, two ... This came up in our recent trip to Queensland was too about what rights they do have, how they can negotiate with gas companies, how they can plan if the government lifts the moratorium, how they can be better prepared? It certainly struck me that perhaps earlier on in Queensland there was none of this preparation, none of this information and landholders were really put at a real disadvantage.

Mark Sullivan: Definitely. I think I made mention of that in my written submission. There needs to be a framework-

Hon. Justice Rachel Pepper: You did.

Mark Sullivan: Established by the government and basically just a dot-point streamlined situation. You start at one and work your way through. Every exploration company is on that same page. They don't have their own process. The government initiates the process and says, "This is how you go and get an approval to drill a hole. This is how you go and get your access done. This is the order that it has to be taken place in."

That is one standard format that is structured that anyone can look up online so the pastoralists can look it and up and say, "Here's the process." If someone turns up on their doorstep and they've done D before they've done A, you go, "Hang on, you haven't done this." It's transparent. It's out

there and there's no hidden agendas. I think that needs to be really highlighted. With the process, how we go about it with ... We keep mentioning Pangaea because they're one of our main clients. We've been working with them a long time, but we actually have that structure set up between ourselves. "This is the process how this rolls out. This is how the approval process goes."

When they say that they're going to put an application in to drill three holes on EP169 and something, etc, I know exactly straight away the process on how that is going to take place. Then I know the particular points on where we need to step in and do our bit. When we do our planning meetings ... Every year, we do a planning meeting for the whole season. We sit down. We go through the whole thing, step by step. That doesn't alter. That just goes through those steps. That's set up in house or something. I think it's an example that needs to be used and needs to be legislated basically.

Speaker 1: You have a document on your process?

Mark Sullivan: Yep.

Bill Sullivan: Yep.

Mark Sullivan: It's pretty standard.

Speaker 1: Would you be prepared to let us have a look at a copy?

Mark Sullivan: Yep.

Speaker 1: It would be very helpful I think.

Mark Sullivan: It changes from year to year.

Speaker 1: Sure, sure.

Mark Sullivan: But basically it's a process and that's the way we go through it.

Speaker 1: Thank you.

Hon. Justice Rachel Pepper: That would be very helpful. Thank you. Any last questions? Mr. Sullivan and Mr. Sullivan, thank you very much for coming this morning and also for answering a rather lengthy amount of questions. We're very grateful for your time. There'll now be a short break until 10:30 as scheduled. Thank you.

Bill Sullivan: Thank you.