

APY Executive Board Meeting No. 4

Held at Umuwa on 4 December 2013

- Present:** Bernard Singer (Chairman) representing Railway Bore/Amuroona; Trevor Adamson (Deputy Chair and Translator), Pukatja/Yunyarinyi; Anton Baker, Kanpi/Nyapari; Charlie Antjipalya, Watarru; Milyika Paddy (via phone), Pipalyatjara/Kalka; Murray George (via phone), Kaltjiti. **APY Administration:** Rex Tjami (Director); Sean McCarthy (General Manager); Gary McWilliams (minute taker).
- Apologies:** Owen Burton, Amata; who is unable to attend because of a meeting and election for community positions in Amata Community
- Visitors:** **Nerida Saunders, DPC AARD;** Robyn Layton QC, Consulting on review of APY Act; Warren Hallam, Metals Exploration; Max Maczurad, Metals Exploration; Alan Ferris, Metals Exploration; Liz Tregenza, KU Arts.
- Opening:** Meeting commenced at 1.45pm
- Bernard Singer raises the issue of Executive Members; Leon Colson & Alec Baker; not attending meetings which makes it difficult to achieve quorums. Bernard Singer also noted the consistent attendance at executive meetings by the members present and on phone link as being responsible and praiseworthy.
- General Manager was asked to check the APY Act for process for casual vacancies around non-attendance and to liaise with DPC AARD to resolve this issue.
- Chairperson:** “we; as leaders need to take responsibility to ensure proper functioning of the board”.
- Visitors:** DPC AARD invited to present to the Board, Nerida Saunders gave an update on the upgrading of community and homeland landfill sites.
- M George:** States those big issues such as the legislative review need to be discussed at General Meetings.
- N Saunders:** 3.6 million dollars has been provided by the State Government to address the compliance of landfills with legislation, which is a state wide issue. PIRSA has been nominated by DPC AARD as the lead agency for government.
- Mimili, Amata, Kanpi, Nyapari, Pipalyatjara, Fregon, Pukatja & Umuwa landfills to be upgraded/relocated over the next three years; PIRSA is to help coordinate the work.
- No contracts have been awarded yet, PIRSA will come back to APY if there is a need for new landfills and to approve the processing of any development applications.
- Kenmore Park upgrade is to be funded federally after further discussion.

The government will go through PIRSA to carry out work over the next three years. Progress reports on consultation with communities about landfill projects will be made to the APY Executive.

GM: It is imperative that the executive board through APY is engaged as part of the decision making team, representing anangu.

M George: Stated for a long time power has been taken away from Community Councils, we (APY) need to make a plan.

N Saunders: Government has been making a plan and guide lines on how landfill rubbish is managed the same way everywhere in the state (SA).

What we require is an agreement that the communities named before are covered in the project.

C Antjipalya: Asked “what about Watarru, when will that be covered and Kalka”?

GM: States “we can make a note that further discussions with government are needed about the status of Watarru. A landfill development application has already been processed for Kalka, seemingly under a separate funding stream”.

C Antjipalya: States “I do not want people going to Watarru and saying no one is there, I am always at Watarru”.

GM: States “Anangu must be represented in the planning, investigations and delivery (ie. All phases) of the landfill project. A consultation process needs to start as soon as possible”.

N Saunders: DPC AARD will facilitate initial contact between APY and the lead agency PIRSA to discuss anangu consultation and involvement in the decision making process. Reiterates that no contracts or agreements are in place with any contractors or service providers.

Visitor: **Dr Robyn Layton QC** invited to present to the Board, Robyn Layton presented to the executive the consultation recommendations from the recent review of the APY Act. A Summary of recommendations and a table of electorates were provided at the meeting.

Robyn Layton referred to the Act Review process, noting that John Hill, MP (ex-Minister of Health & Environment SA); Harry Miller (Aboriginal man , Aboriginal Health Pt. Lincoln resident); April Lawrie Smith Aboriginal woman Aboriginal Health Adelaide and herself are the four members on the panel appointed by the Minister of Aboriginal Affairs and Reconciliation.

Dr Layton had four key points to address to the executive today:

- Report on what the panel has done and its activities over the past couple of months and community responses we have received – which is set out in an interim report provided to the Minister as requested on 21 November 2013
- Report on the Minister's response to the interim report and the recommendations made by the Panel.
- Ask what the APY executive wants her to do at this meeting. For example to describe the review process what we found and the recommendations, or do a consultation to day or something else.
- I will then respond to what APY executive want her to do.

Chairperson: Requested Robyn Layton to describe what the panel had done, what they found and the recommendations.

R Layton: indicated there are five key questions which the Panel was requested to consult upon in the review:

- Equal numbers of men and women on the executive board?
- The best way (system) to elect the members?
- What (qualities) make a good member of the board?
- Should there be two extra skilled people co-opted on the board to assist the executive?
- Whether there should be an economic advisory panel – to provide advice on wealth building, jobs and developing businesses on the lands.

M George: Questioned some aspects of the proposed changes. Indicates that no decision can be made by the Board and that it should go to an AGM.

Chairperson: Explains that the 5 men & 5 women proposal needs to be discussed and the problems of a quorum when there is cultural business for men only.

C Antjipalya: Said that he did not think that women should be on the APY Executive and also said that the responses were what the Government wanted not what Anangu wanted.

R Layton Then indicated that during the consultations both Anangu men and women had said that they wanted equal men and women on the Executive. She then continued to discuss what the Panel had done. There have been three rounds of consultation with the intention that each community is visited twice. However, sorry business and traditional business have prevented the consultation in some communities. The places we visited twice were Pipalyatjara, Kalka, Kanpi, Nyapari, Amata and Iwantja. The consultation needs to revisit Mimili, Kaltjiti and Pukatja. Also met with NPY Women's Council AGM, Ku Arts and Kenmore Park

The Panel had to provide a report to the minister by the 21st November which we did. It is an Interim report because there was still 'unfinished business' as we could not complete the consultations and we had not been able to come again to talk with the Executive Board.

The Minister after reading the interim report and recommendations has agreed to have more consultation which will include consultations with Mimili, Kaltjiti & Pukatja and further discussions/consultation with APY Executive.

Three strong themes that came out of the consultation:

- Gender, equal numbers of men and women on the executive. Women in particular stated that they had strong respect for the men who had sat on the Executive Board over the years and that they wished to work together with men
- Strong support for standards for candidates for membership on the Executive Board
- Importantly many people commented in every community that there is a lack of feedback from the executive to communities. Some communities more than others

Robyn Layton then spoke to the summary of recommendations which arose out of the consultations which are:

- The executive to be a twelve member board
- Standards for candidates to include that they have no serious convictions, eg murder, manslaughter, sexual assault and serious violence etc. Not to have drug and alcohol problems. Detailed Candidate Nomination Forms; Candidates to live in the community and not off land; Police checks; undertake to provide information to communities; Candidates to be mentally and physically fit to do the job.
- Encourage younger people to serve and run for executive
- A lot of support for information before the election; a pre-election process to give people a chance to speak publicly about why they would make a good member; better training for executive members after the election including discussion about how men and women may work together respectfully on the Executive including cultural issues.

Chairperson: Commented about the fact that there is already a code of conduct and there has been in the past some training on financial planning and fiscal responsibility to the executive.

R Layton: Continued with suggestions from the consultation.

- Alternating the Gender of the Chair and Deputy Chair,
- Voting by the Chair either with casting vote or deliberative and casting vote where there was a tie because of equal numbers.
- Strengthening standards for members on the Executive;
- Complaint process for members not reporting back;
- Young people to be learn leadership skills and be encouraged to stand for election;
- Term of office;

- The appointment and use of proxies;
- Absentee voting (i.e. for people on dialysis).

Then Robyn Layton referred to the Table of electorates and described the system of the three electorates which the communities had said they wanted. She briefly described three electorates East, Central and West APY

- Indulkana & Mimili plus homelands associated with those communities (EAST)
- Pukatja & Kaltjiti & homelands (CENTRAL)
- Amata & Pipalyatjara & homelands (WEST)

In each of three electorates each voter would have four votes and could vote for two men and two women. The election process would ensure that at least one member out of the four members in each electorate would be from homelands/smaller communities.

In brief the election of four members in *each electorate* would be that each voter had four votes and could vote for any two men and two women in any community in that electorate:

- the man and the woman with the highest votes from two different communities would be the first two elected;
- then the man/woman in a homeland with the highest votes would be the third elected ;
- the fourth would be a person from any community with the highest votes from the opposite gender to the third .

[Robyn Layton later indicated that one community had a different view and that was Iwantja who wanted to remain the same and that the Panel did not know what the view of Mimili was. She indicated that those communities could be split into two in the East APY with different voting].

C Antjipalya: What do these things mean? Stated that “they (the government) cannot tell us what to do (selection of candidates for executive)”

R Layton: States these ideas about the three electorates are not coming from me, they are coming from people (Anangu).

C Antjipalya: We need to have a general meeting to decide these things.

Deputy Chair added that it was a good thing being done but whether it was a good story or a bad story Anangu needed to come together to talk about it.

M George said we got to be strong for a good story, we got to be careful and we can’t make decisions here.

Mrs Paddy: Joins in via the phone in agreement with what has been said.

M George: Makes a comment expressing concern about some of the ideas and suggestions

Mrs Paddy: Comments via the phone, people (Anangu) should come to a general meeting many changes will come from these proposals but people need to come together.

Chairperson: These things need to be finalized at a General Meeting.

Deputy Chair: These things need to be discussed and clarified.

Chairperson: Further discussions need to happen the AGM is in May 2014. Then there is discussion about the need to have an earlier meeting and to hold a Special General Meeting in March. That there would be need to have assistance from government.

Mrs Paddy: Asks about the meeting process

Executive: Three executive members suggest that a general meeting would (may could?) produce a far different result than these consultations in isolation, where Anangu discuss these ideas in an open forum.

Mrs Paddy: Comments "we need people from all communities to make a decision".

M George: Comments "we have to be careful and strong working on behalf of all the people"

R Layton: Asked "What will I take back to the Minister?" Also, the panel is planning to complete the consultation with communities at the end of January to complete the meeting process; Mimili, Kaltjiti & Pukatja.

Chairperson: Indicates that the Executive wanted the recommendations to be put to a Special General Meeting in March if the government provided financial assistance to cover the costs for the that meeting. Also that the planned consultations of the Panel could be done before the Special General Meeting.

R Layton: Thanks the Executive for their time and leaves

Visitor: Chairperson invited **Metals Exploration** to present to the Board inviting Warren Hallam, Max Maczurad and Alan Ferris.

W Hallam: Facilitated a power point presentation on their proposed project in the Musgraves, Wingellina on the WA side and on the APY Lands. (Copy of the presentation is provided to APY) provided in **Attachment A**.

W Hallam: Noted that Metals X have an agreement with Wingellina (Nygaantyarra) that confirms a pathway to a mining agreement after further consultation, and seeks to commence negotiations with anangu with a view to putting in place a similar agreement with anangu.

The executive board members listened to the presentation and thanked Metals X for travelling to Umuwa to update and present to the board.

Resolution 1: **The APY Executive instruct the Director of Administration and General Manager to prepare a proposal for an Anangu consultation process to consider entering in to an agreement with Metals X, and to present this proposal to the next Executive Board meeting in February 2014.**

Motioned: Bernard singer
Seconded: Trevor Adamson

Visitor: Chairperson invited Liz Tregenza **KU Arts** to present to the Board.

L Tregenza: Ku Arts supports seven art centre on the APY Lands, the way that KU Arts supports is as a peak body representing all of the art centres. There are five peak bodies across Australia. KU Arts used to be just the APY Lands but now represents all of SA. KU Arts is not the boss of the art centres; they do not direct activities. Art Centres (on the APY Lands) have grown very quickly. The executive has provided a support letter for KU Arts. KU Arts might lose Federal funding.

Chairperson: Asked “are there private organizations that could help (with funding)?”

Some discussion about private company support.

L Tregenza: Maybe art centres need more assistance and training, KU Arts is asking how can we help APY to deal with issues at art centres?

Resolution 2: The APY Executive instructs the General Manager and Director to liaise with Ku Arts with respect to how APY may be able to assist.

Motioned: Bernard Singer
Seconded: Charlie Antjipalya

Previous

Minutes: The previous minutes from meeting No. 3 were read out along with the resolutions.

Resolution 3: The APY Executive support the minutes and resolutions from meeting No. 3, however, ask to amend the resolution supporting the Basic Card at Mintabie Stores as it was agreed to not support.

Motioned: Bernard Singer
Seconded: Murray George

GM Report: Sean McCarthy read through his GM report.

It was discussed and supported by the executive that the preparation of a communication policy continues and a draft policy will be presented to the board for approval in February.

The Financials reported in the GM report were discussed.

GM advised that he had been contacted by a trustee in relation to the release of exploration monies being held in trust by APY to the Mining Revenue trust.

Resolution 4: APY Executive requests further consultation prior to the release of any mining exploration monies. That mining exploration monies remain held by APY until further resolution by the board

Motioned: Bernard Singer

Seconded: Trevor Adamson

Administration

Matters: Permits requiring approval were discussed as well as permit issues across the lands. Everyone must comply with permit regulations. Discussion about a permit that needs to be revoked, executive discussed and agreed the permit to be revoked and police notified.

Resolution 5: APY Executive approve Salvation Army permit to visit all communities and sell goods. APY Executive instruct GM to write letters to all non-permit holders, art centres and stores issuing a final warning to comply, and to revoke the permit discussed and to notify Police.

Motioned: Bernard Singer

Seconded: Trevor Adamson

Meeting concludes: 5.30 pm

GM Report December 2013

This report seeks to address the most critical focus areas since the commencement of myself in the GM role on October 7th 2013.

A broader GM report will be tabled in February.

1. Financial Update

Income is generated through grant funding, rental income and service recoveries. The YTD income and expenses for the entire organisation are as follows:

Income (YTD as at 24/11/2013):	\$2,681,928.51
Expense (YTD as at 24/11/2013):	<u>\$2,338,577.31</u>
Surplus (unaudited)	\$ 343,351.20

2. Organisational Update

(i) staff resourcing

The organisation has come under much criticism both internally and externally in the performance of its role under the Act. DPC AARD have provided extra funding this FY in recognition of a lack of resources in related key areas of the organisation.

A preliminary review of structure and resourcing has been made and a preliminary organisation chart identifying key roles and structure has been drafted as a result. This chart will not be release publicly until further settled.

A major premise of the review is also that a strong APY organisation is imperative given it is the peak representative and consultation body for Anangu in the APY lands.

Several new positions result from this preliminary assessment. The assessment remains preliminary and addresses the critical shortfall areas, noting a need for urgency given the funding allocation at this stage being only for this FY, and the expectation that APY demonstrate immediate organisational improvement as a deliverable of this funding.

Status of additional resourcing is as follows:

- (a) Systems and compliance manager – a 6 month contract has been awarded for this role and Simon O'Shea commenced on 31st October. This role will audit and then address the lack of policy and operational procedures within the organisation, including systems to ensure APY comply with their many responsibilities.
- (b) HR Officer –Lesley Johns commenced on 24th October, again a short term contract initially, to get things moving. This role will assist the office manager in ensuring that APY are complying with their responsibilities around employment. I.e. ensuring

proper employment contracts are in place for all employees. This is currently not the case and there are many gaps and inconsistencies. This work is directly related to policies and systems and will work across other areas of the organisation as required.

- (c) Procurement and contracts officer – this position was advertised approximately two weeks ago and applications are currently being reviewed. This position will assist in developing policy and procedures and managing contracts to ensure APY are compliant. APY enters a large amount of contracts and this area is a significant risk and opportunity for Anangu, so warrants a dedicated position.
- (d) Executive Officer – this position was advertised approximately two weeks ago and applications are currently being reviewed. This position supports the board, including board meetings, policies and communication responsibilities of the board and the administration. Ali Vidal has been acting in this role for several months and will continue to do so until the position is filled.
- (e) Infrastructure Manager - this position was advertised approximately two weeks ago and applications are currently being reviewed. This is a strategic future position designed to give APY policy, advocacy, capacity and expertise in infrastructure. Infrastructure is a major **current** and future spend on the lands and a major **current** and future opportunity to provide a pathway from training to sustainable jobs. This position also supports the ability of infrastructure funders and contractors to engage, consult and communicate with Anangu in the planning and execution of works, to **maximise the value delivered to Anangu** through partnering with government to maximise the value of funding provided.
- (f) Office admin roles – the office manager is currently sourcing two admin roles to work under her direction. These positions will be Anangu and will be provided with on-the-job training and career path to a management position in APY.

The other areas noted as most likely under-resourced are the anthropology, mining liaison and pastoral functions and further assessment remains on-going. The roles discussed above will contribute significantly to the improvement of operations in these areas by providing critical support and expertise.

It is critical to note that any proposed permanent positions will not be filled until endorsed by the board and budgeted by the Finance Manager of APY. The Infrastructure Manager position in particular requires further discussion with a number of government departments including DPC AARD and others responsible for infrastructure delivery on the Lands.

(ii) Organisational structure

The above roles fit in to the preliminary organisation chart – this is by no means settled but gives us an immediate structure to work with the above changes.

The consultation and strategic outcomes of the RPA process (ie. the Regional Plan that will emerge from the current RPA process) will influence the organisational structure and resourcing levels required in APY, therefore the changes to date remain preliminary with the intent to address the most critical gaps. Thus there will be iterative changes in the next 6 month period.

(iii) Policies and operating procedures

The above new roles will all contribute strongly to and have responsibility for addressing the shortcomings in policies and compliance. The key risk and opportunity areas of the organisation are prioritised – communication, consultation, contracts, procurement and infrastructure.

3. Regional Partnership Agreement

Following on from the meeting of Community Council chairpersons on 24th October at Umuwa, both federal and state governments were advised that Anangu will enter into a period of internal consultation prior to any further government-led consultation. The purpose of this Anangu consultation is to build understanding and consensus amongst Anangu on the range of issues to be addressed by the RPA, allowing focused and meaningful negotiations with government to proceed.

APY will assist Anangu with its own consultation process and keep government informed. Ali Vidal has been engaged by APY to assist as she transitions out of the Executive Officer role.

APY will also continue working with government in parallel to ensure that the process, including leadership, structure and accountabilities, of progressing the RPA to a Regional (strategic) Plan is planned and understood by all parties.

A clear message that I have received from the executive and Anangu Tjuta is to prioritise the governance issues on the lands, in particular the role and responsibilities of community councils and how they interrelate to the role and responsibilities of APY. This work has commenced already and I expect that a model can be finalised by March next year.

It is important to note that the RPA has no formal relationship with the Act review and both of these processes are proceeding independently with separate purposes.

4. FOI Update

APY has received 6 FOI applications in November, 5 from the Greens office, Tammy Franks MLC and 1 from Liberals Office, Duncan McFedridge. Applications refer to all documents, to executive board meeting minutes, financial position and mining royalty trust.

The preparation of responses to FOIs are extremely time consuming and severely stretch an already under-resourced staff. The FOI matters all relate to historical matters. The staff

continue to deal with the responses and look forward to being able to focus fully on the improvement initiatives underway.

5. Annual Report

The Annual Report has been drafted and is awaiting finalisation of the audited accounts for year ending June 2013. This may not be received until sometime in January, given the volume of remedial work required. For example, the finance staff are having to spend a lot of time on rectifying inaccurate coding that occurred in that period. Again, the finance staff are balancing their need to address historical imperfections in the system with actually making changes to the system. A very difficult and stressful task for them, and I thank them for their hard work and professional approach. Additional resources have been provided to the Finance Manager to assist.

Sean McCarthy
GENERAL MANAGER

Wingellina Project

November 2013



Who is here?

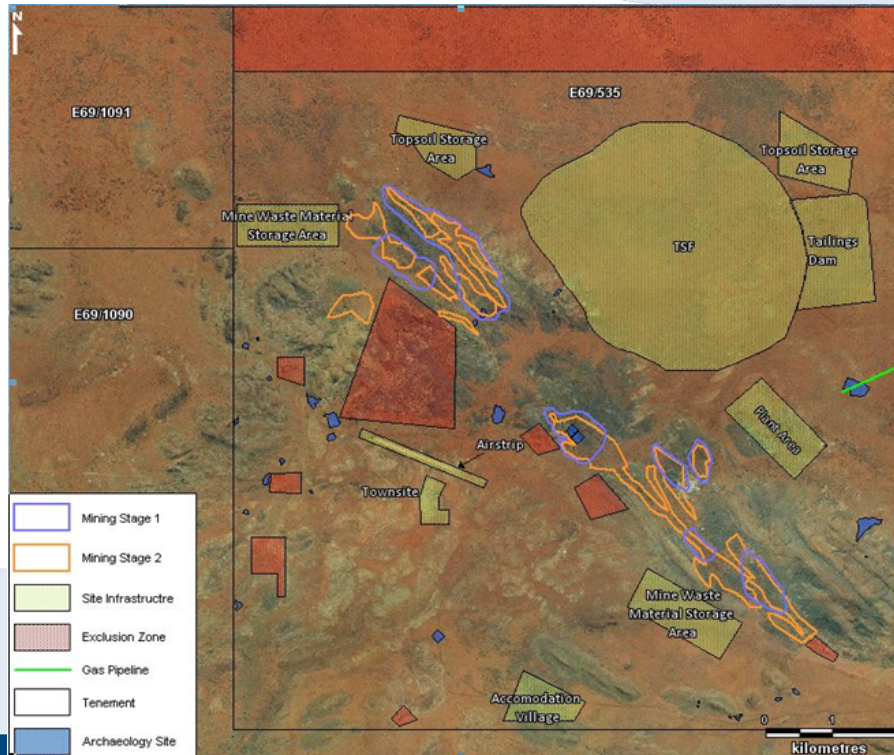
- Mr Hallam
 - Director
- Mr Maczurad
 - Site Manager
- Mr Ferris
 - Project Manager

Introduction and Purpose

Main Aims:

1. To give an overview of our company, and activities in the Central Musgraves area.
2. To highlight potential issues and opportunities for the APY and its members.
3. To commence discussions surrounding an agreement for a potential calcrete quarry and road through APY lands.
4. Discuss further how we can work together and understand the issues.

Proposed Project Layout



Murrin Murrin Photos

First Mine Pit



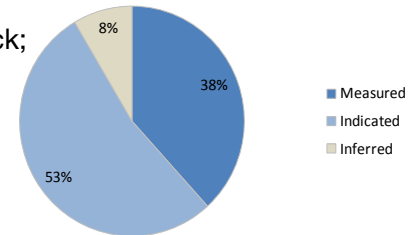
Process Plant



Wingellina Project – Major Reserve

Globally Significant Resource

- Nickel-Cobalt limonite located in the Central Musgrave Block;
- 183 million tonne ore resource at 0.5% cut-off;
- 165 million tonne mining reserve;
- 92% in Measured and Indicated under JORC.



Wingellina Total Identified Mineral Resource Estimate (0.5% Cut-off)					
Category	Mt	Grade (%Ni)	Contained Ni (Mt)	Grade (%Co)	Grade (%Fe ₂ O ₃)
Measured	68.9	1.00	0.69	0.078	48.7
Indicated	98.6	0.97	0.96	0.075	46.4
Inferred	15.7	0.97	0.15	0.069	42.7
Total IMR	183.2	0.98	1.80	0.076	46.9

Claude Hills Total Mineral Resource Estimate (0.5% Cut-off)					
Category	Mt	Grade (%Ni)	Contained Ni (Mt)	Grade (%Co)	Contained Co (Mt)
Inferred	33.3	0.81	0.27	0.07	0.023



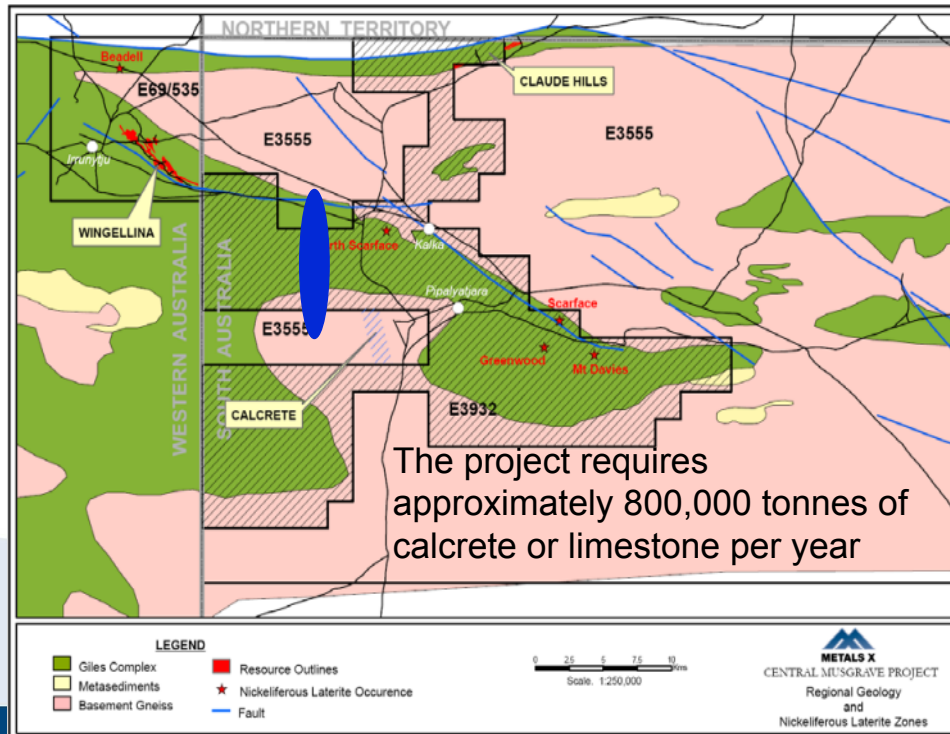
South Australian Context

- ❑ **Location** - Given the location of the project, there are big opportunities and potential issues in South Australia and Northern Territory.
- ❑ **Infrastructure** – It makes sense for transport corridors to head east. Road access, rail usage, port facilities, and gas supply are all major considerations.
- ❑ **Exploration** – we have a major tenement package in South Australia, adjoining our WA tenements, with very good prospectively.
- ❑ **Reagents** – We have identified a high quality calcrete resource (required in processing plant) near Pipalyatjara in South Australia. Potentially large operation in its own right – 800,000 tpa.
- ❑ **Water** – We have identified a water resource at Nyikukura (Mann Fault Palaeovalley) which is important to be able to access for the initial plant construction phase.

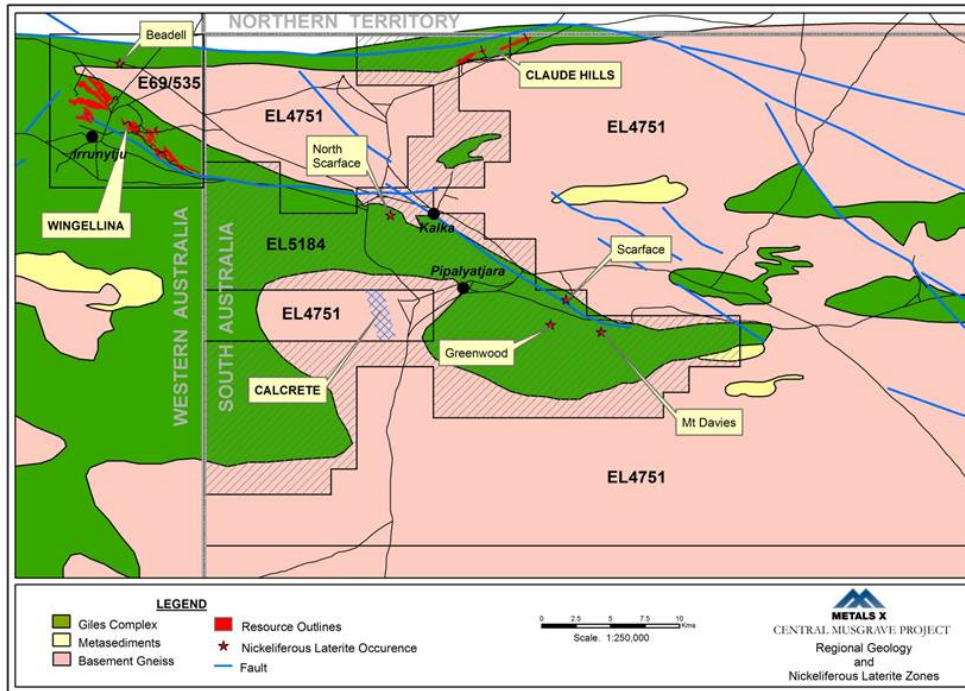
Wingellina – Feasibility Results

- ❑ Minimum 39yr project life on total Identified Mineral Resource:
 - Approximately 400 permanent jobs to fill. Calcrete quarry and road maintenance could provide direct employment on APY homelands;
 - Exploration success in APY lands would extend life and see further jobs and royalty payments. Mining may be at the same time as Wingellina (doesn't have to be after Wingellina is finished);
 - Substantial road required – would open up other commercial opportunities in APY lands.

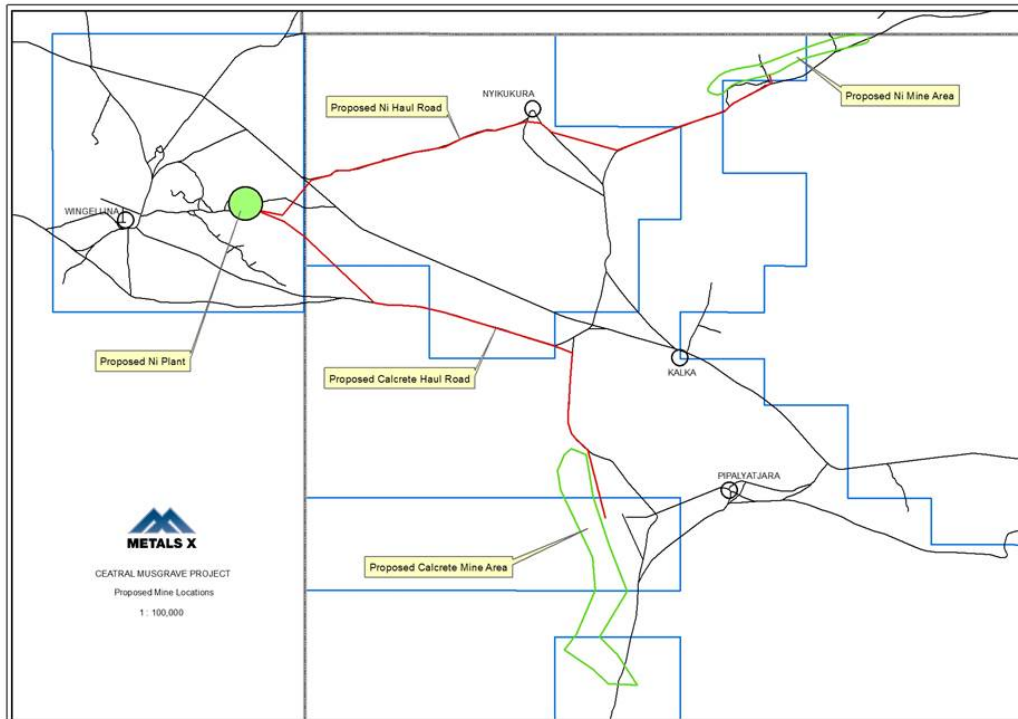
APY Opportunities - Calcrete



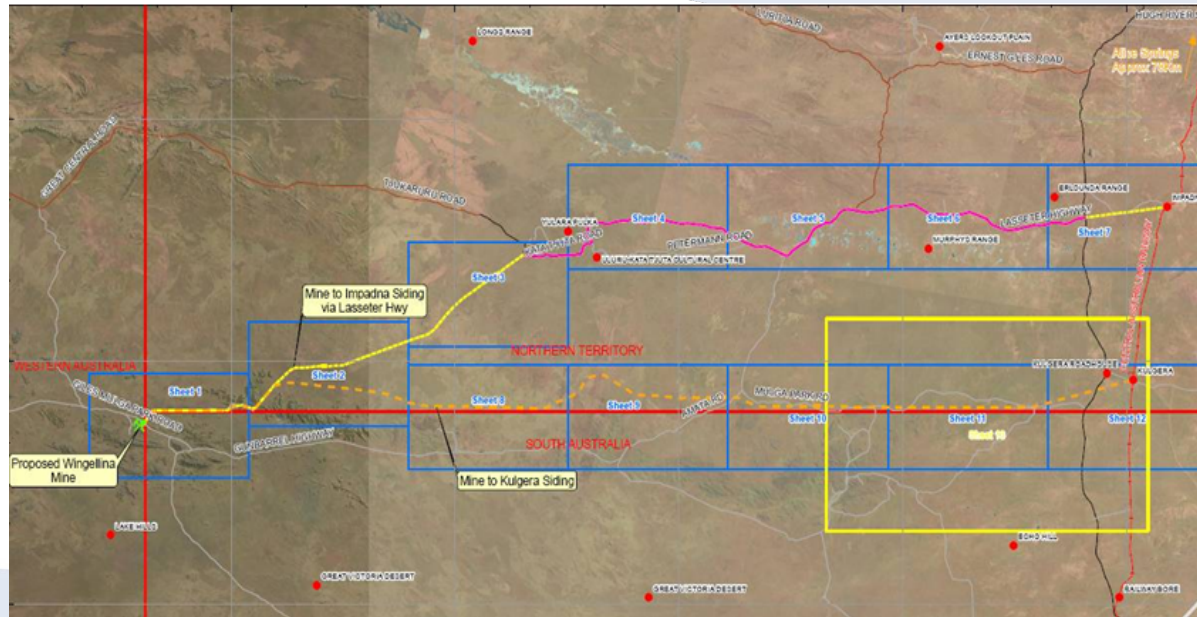
APY Opportunities – Exploration/Nickel Mining



APY Opportunities – Proposed Infrastructure

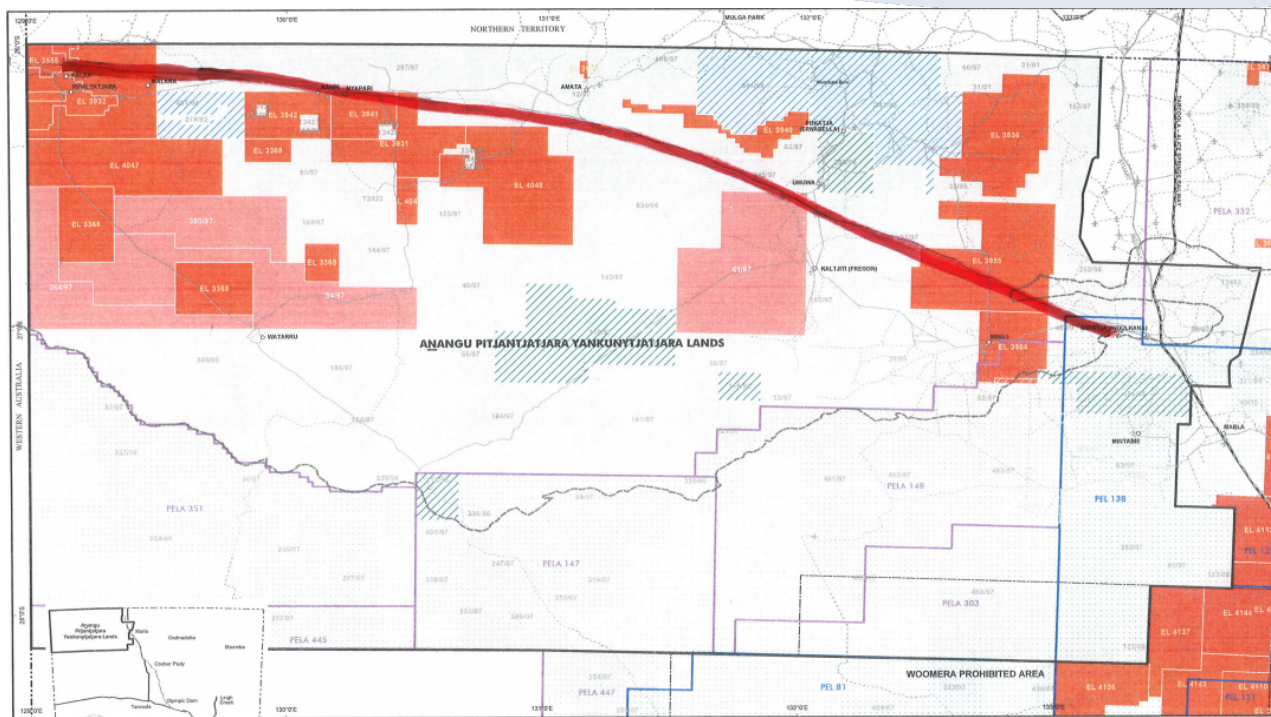


Haulage Options



Inbound freight – approximately 500,000 tpa;
Outbound freight – approximately 180,000 tpa;
Approximately 15 triples per day.

The Current SA Option



Several steps prior to committing to development:

- Finalising project partners and development strategy.
- Completion project DFS and permitting.
- Decision to develop.
- Detailed engineering and construction.

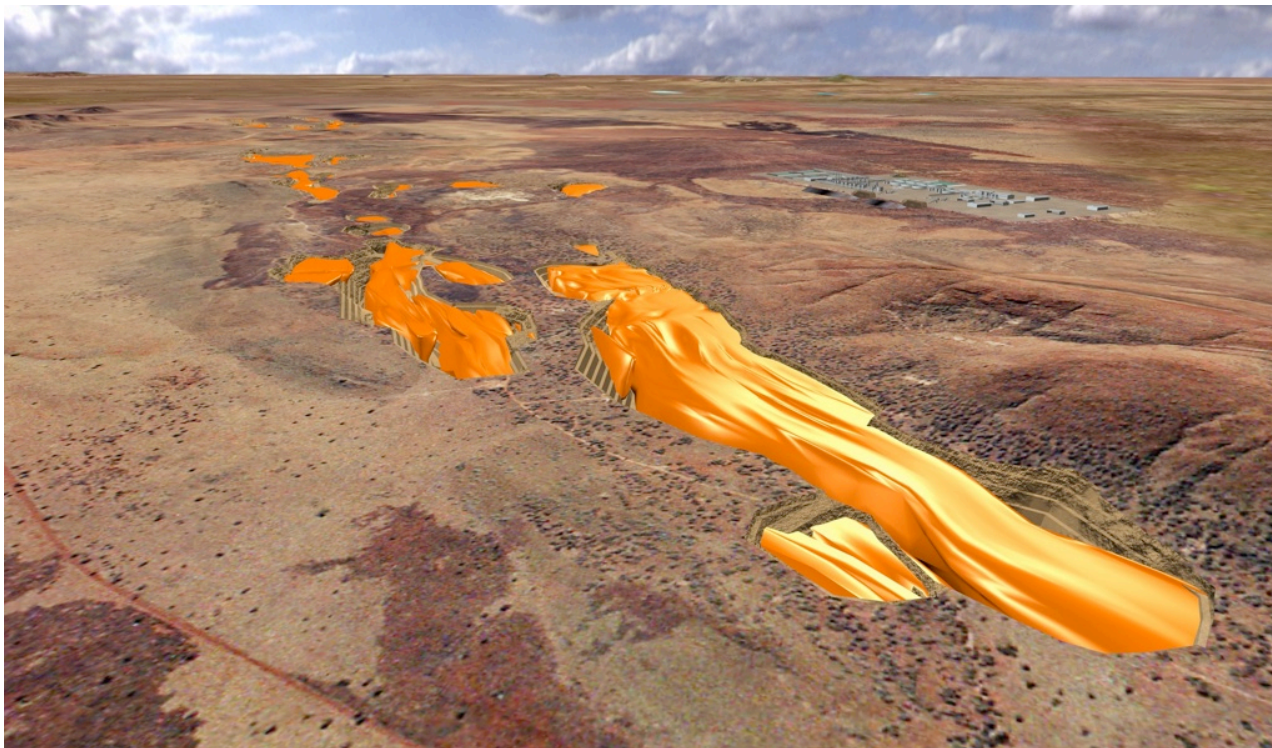


Project Status

- The company is committed to progressing Wingellina and is still negotiating with project partners and the government.
- There is a lot of extra nickel around at the moment, so current nickel price is low and has made work with funders difficult, HOWEVER the company is still working on securing funding for the project.
- We have continued with government permitting as planned but have found some hurdles as difficult for government to make decision, but will continue.
- We are trying to get approvals decisions early so we eliminate any issues.

Moving Forward

- ❑ The Mining Agreement on the WA (Ngaanyatjarra Council) side has been completed and is in place and working.
- ❑ Areas of heritage significance have been excluded from exploration access and as such excluded from project development plans.
- ❑ Metals X would like to commence discussions and complete an agreement on the SA (APY) side for:
 - Quarrying Calcrete;
 - Using/upgrading roads;
 - Access to complete water studies for potential Nyikukura water resource.
 - Mining of new nickel deposits similar to Wingellina.



Wingellina Nickel Project

