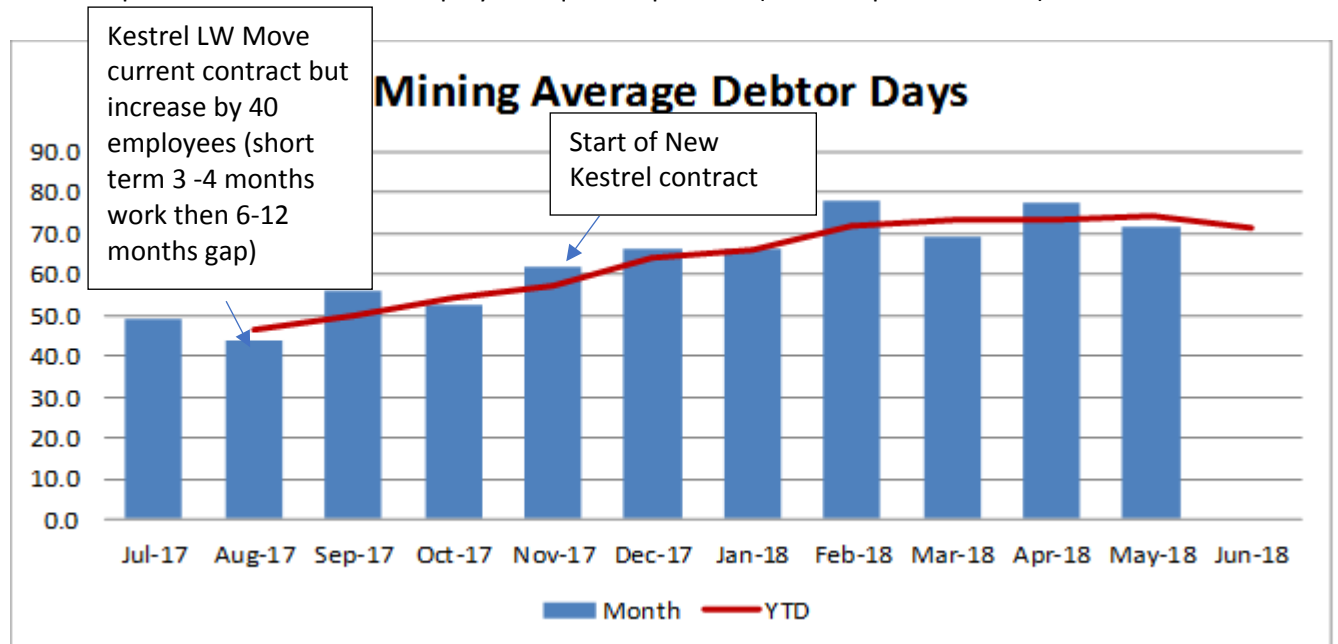


The appropriateness of the payment terms offered to businesses by the mining sector;

Current payments terms recent contract awarded with RioTinto Kestrel Mine 90 days plus has increased our days debtors. Contract was to provide a development labour and management team to develop the Mains number of employee required up to 120 (contract period 2 +1+1)



This has impacted on cashflow and requires 50% of profit for the year to be used to manage cash flow. Also up until that time we had never had to utilise an overdraft facility in the 10 years of operating the business.

Best practices between the mining sector and businesses, especially in regard to how they can support regional communities and economies;

The best way is by reducing payment terms as it then opens up free cash to be spent in the community. I believe both the mining majors and regional businesses contribute significantly through sporting and community sponsorship of events and clubs and that will continue. The bigger regional community issues are domestic violence, mental health, suicide prevention, Synthetic Drug use. RIN (Resource Industry Network) has done a lot over the last 2 years to highlight and bring it to the forefront. But if the Mining Majors and supporting associated businesses do not promote the use of Employee Assistance Programs and use of the other resources we will not get on top of the issue or it will get worse. The Mining industry has done well at reducing workplace physical injuries but have a long way to go in changing the culture and making a real impact on these issues. Possibly like the mining industry has a fund for research ACARP a similar fund can be developed to support and provide the resources for these issues.

Barriers to the greater use of regional businesses in the procurement of services by the mining sector;

Size of business and Major Miners contract length and terms. A lot of the smaller businesses want to employ people, but the length of contracts tends to be 12 months, based on the major miners budget cycle or purchase orders raised on a month by month basis as it takes too long to get contracts in place. This provides uncertainty for the smaller businesses but also for the employees of that business who then are not confident of having a job so will not buy a house in the region or

even live in the region as if they lose the job it is easier for them to find other work in the city or south east queensland.

Building the skills and expertise of businesses to leverage opportunities in the mining sector;

The above response about barriers applies equally here. Having confidence to put on apprentices and trainees also comes down to length of contracts if some key contracts were able to be 4 years traineeship and apprenticeships can be built into the contracts and both the client and business will benefit and commit to putting in the time and effort to train them up. A ongoing government subsidy for apprentices would be more beneficial then a reduction in the Tax rate, if a business could offset it against the quarterly or monthly BAS if they have Trainees or Apprentices working during that time it would provide a good incentive.

Opportunities for businesses to diversify to other markets; including the mining industry in Australia and overseas, and across different industries;

The issue with diversifying to other markets is unless it is a fit with the core business focus gets lost and all that happens is money gets spent for no return.

We found our industry has the high level skills to improve productivity for other countries but the other countries either don't want to pay for it or imply that they will but when it comes to paying they don't. So the cost of legals and trying to cover this issue makes it either uneconomical or too expensive for them to pursue.

The role of mining equipment, technology and services (METS) organisations in R&D and innovation and how payment terms impact on companies' ability to invest in these areas;

We undertook R&D on a real time roof monitoring project and were able to claim R&D however because our combined group of companies revenue went above 20 million we were no longer able to claim it and development of the project has stalled.

How the Federal Government can support businesses in regional economies benefit from mining development; and

How royalties are shared between landholders on gas fields and State and Territory Governments;

The Federal Government can help by getting agreements with the State Government that if EIS is approved then the legal claims that comes via the Land and environment court has a limitation put on the time frame that the claims can be made and heard by. So that projects are not jeopardised by minorities that play the time game and put up hurdle after hurdle. It is killing our reputation as a place to do business in the world and has a huge opportunity cost on Jobs.

The royalties should be utilised to provide the land holders with subsidised water / electricity or put towards water/ power infrastructure. This tends to be the land holders biggest issue so should be used to deal with it and allow the farmers to have a viable business.