



Submission re Mining Act Review 2017

The Mining Act Review comes at a time of increasing concern re Mining development on agricultural land. Several potential projects on productive agricultural land have brought a renewed debate about the merits of Mining and Agriculture.

The State's \$18 billion Agricultural industry is indeed a vital part of the S.A. economy, and a major employer, and the backbone of our rural communities. Mining brings new economic opportunities, and it is vital that we ensure these opportunities are not at the detriment to the communities affected.

The Review comes at an opportune time to re-visit the way we balance the 2 industries. It is important that there is a good balance going forward, and that existing use is valued and decisions are based on long term economic and social outcomes. There is at present a feeling that the current legislation does not adequately protect the rights of farmers, or value the long term contribution of Agriculture.

Major Points for consideration

1. Exempt Land

The confusion around what is exempt land needs to be cleared up. This has been the source of much "angst" over time as the term is mis-leading. The reality is that a cultivated field, whilst exempt land by definition, has invariably been non-exempt under the current system.

There is also merit in expanding the definition to include other agricultural land.

2. Royalties

Royalties should be seen as more than just taxation. They are a means of compensating communities for both the use of resources, disruption and return for local investment in infrastructure.

PPSA would urge a new approach which focuses a percentage of royalties on return to the local community and the region. Rather than a local community been seen to have to "take one for the State team", it would be good to see part of the royalty spent in that local community. This percentage should reflect the local impacts experienced. It is also arguable that a percentage should also be spent in the broader region in which the royalty is raised.

Also, in cases where a fair acquisition of the land has not been made, if the mining occurs on a farmers property then a percentage of royalty revenue should be returned to the landholder.

3. Mining Ombudsman or Similar

A major issue for landholders is what they should do when approached for access to explore. And these issues continue throughout the process, which can be expensive, stressful and confusing. PPSA feel that within Government there needs to be an Independent Office to whom landholders can go for consistent and fair advice. This should include advice on compensation issues – this should increase fairness and consistency, and reduce stress for those affected.

The model of the Small Business Commissioner would be a model worth considering, where he has the powers to compel parties to come together to discuss issues.

Many farmers currently feel intimidated.

4. Timeliness

Many farmers are put through many years of uncertainty, which sometimes has consequences both financial and personal. Whilst we understand that mining companies need time to organize financials, there also needs to be thought given to the effects on landholders of these delays and the uncertainty experienced. These delays often have much wider repercussions beyond just the parcel of land concerned – that is often part of a much broader landholding.

PPSA feels that there should be mandated timelines to manage this issue.

5. Compensation

Fair and just compensation should always be on offer. Whilst the personal and financial impacts may vary, there is no doubt that for many farmers been displaced

from their land, and seeing the farm “dug up” is a very emotive issue. If a mining proposal will not create enough wealth for the landholder to be very well compensated then we would question whether the proposal should ever go ahead.

We would also like to see the creation of a mechanism which would see affected neighbors and / or other affected property owners also receive fair compensation for the effects of mining. Such affects could be noise, dust, traffic or other disruptions.

6. Holistic Review of Long Term effects of a Mining Proposal

The current Act seems to lack a decision making mechanism which looks at all the longer term effects of a mining proposal. For example, if a mining proposal will see a 10 year mine life, but render the land involved barren for hundreds of years, then the net present value of lost agricultural production for the long term should be taken in to account. This process should also consider the social and environmental impacts as well.

7. Culture of Exploration

Unfortunately there have been some bad experiences between explorers and farmers. There needs to be better regulation and compliance for exploration activities as this creates relationship issues in the important early stages. Issues such as the risk of spread of weeds and other biosecurity and practical issues are front of mind for farmers but not well understood by some explorers. There needs to be good regulation, compliance and policing.

8. Transparency

There needs to be better transparency. Important documents such as Environmental Impact Reports, Statements of Environmental Objectives and Programs for Environmental Protection and Rehabilitation, as well as license conditions, should be publicly available and readily accessible.

9. Role of Regulator and promoter

The role of one Department as both the promoter of mining and regulator has been debated much over recent years. Whilst aware of arguments for and against, PPSA feel that the perception will remain and be the source of ongoing criticism. We feel the Review group should re-consider the issues involved, and propose an alternative structure.

10.Planning

Land use planning decisions should be made by the relevant planning authorities. Mining activities which do not comply with development plans should not be exempt from planning approval requirements.

11. Community Engagement

There needs to be a major change to the level and quality of community engagement by the mining industry. We have witnessed poor engagement in the past and this decreases the level of trust in any future negotiations between miners and farmers.

Legislation needs to mandate good engagement principles such as:

- Transparency and full disclosure
- Early and ongoing collaboration
- Inclusiveness
- Ethical and responsible business practice
- Integrity and appropriate behavior
- Capacity building
- Listening and responding to community concerns

12. Land Access Agreements

Any land access agreements should include:

- Appropriate recompense for the full range of costs
- Clear agreements with landholders regarding all exploration or extraction licenses
- Compliance with drilling regulations and regarding any use of chemicals
- Biosecurity arrangements particularly relating to weed seeds
- WH&S requirements
- Rehabilitation of land
- Appropriate long term insurance and bond arrangements
- Arrangements for normal agricultural operations

13. Local Government Royalties on Road building materials

PPSA support the LGA and Regional Councils in having an exemption from paying royalties to the state Government on the extraction of road building material. This unfairly discriminates on rural Councils with large areas and low populations, and reflects on Council rates charged to our constituency.

14. Licenses and Leases

There needs to be an improved access to documentation in general. Landholders should not have to rely on seeing public notices. Notification and online access of a full range of documentation needs to be improved. PEPR detail should be provided to farmers at the same time as the mining company serves the notice of entry.

15. Rehabilitation

Rehabilitation programs should be agreed early in the process of approval for mining. There should be appropriate bond and insurance arrangements in place before mining commences.

16. Changes to Mining operations

There needs to be modernization of the transparency requirements of the Act.

Farmers and communities need to be not just informed but consulted on such changes.

Summary

PPSA see the Review as an opportunity to bring the legislation in to line with Community expectations of the conduct of all business. Transparency, proper consultation and good compliance are entitlements of our communities, and need to be reflected by the Mining Act.

We have met with SACOME to discuss some of these issues and agree on many points. Social license is important to us all, and good legislation is vital to ensure good operations and compliance give the community confidence.

The relationship of Agriculture and Mining is important in rural communities. Good legislation is important to ensuring that mining issues do not divide local communities through poor process and consultation. Whilst environment and economic considerations are important, community is of at least equal importance.

Grain Producers SA have conducted an excellent community consultation process. This has resulted in a very comprehensive submission which has picked up on the many issues raised at their meetings across the State.

PPSA commend the GPSA process and submission and ask that the detail of the submission be carefully considered as it truly reflects the concerns of landholders.

Yours sincerely



Rob Kerin
Independent Chair
Primary Producers SA

