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From: [REDACTED]
Sent: Wednesday, 9 November 2016 10:25 AM
To: [REDACTED]
Cc: [REDACTED]
Subject: FW: Increasing support for the Resource Industries in South Australia

[REDACTED]

Senior Policy Advisor
Resource Land Access Strategy
Mineral Resource Division
Department of State Development

Dear [REDACTED]

I enjoyed meeting you last week.

Land Access is the resource industry's most pressing issue. My experience has been that Regional Councils are potentially the resource industry's biggest supporters in this regard and I believe we can do more to secure their active grass-roots support.

South Australian regional Councils are generally comprised of fair-minded far-sighted people with the interests of their district at heart....BUT....they do not support us as strongly as they might for the following excellent reasons:

- ? At exploration stage we are a nuisance....we chew up roads, annoy farmers.....essentially we get in the way of Council's constituency without delivering anything to Council's coffers. The few dollars mineral explorers spend in local towns does not go far to counteract this emotional reaction.
- ? At construction stage we are a bigger nuisance....we bring crews in from out of town who take their money with them when construction is finished....we become a bigger user of Council-maintained roads and other facilities while still not contributing to Council's coffers.
- ? Only at production stage do we become an attractive guest in the Shire.....from Council's perspective we then begin to pay our way and ultimately, when we have become a significant local employer and service consumer, we become a much-loved stalwart of the district scene.

Experience has taught Councils that the (now dated) AUSIMM statistic that 1 in 770 prospects becomes a mine.....means that they are asked to put up with annoyance after annoyancewith no recompense to Council coffers.....769 times before the district gets 1 winner.

Even for far-sighted fair-minded people on SA Councils this is a big ask.....their reward for putting up with us is too uncertain, too far down the track and too indirect.

Western Australian Councils are far more supportive because they are directly incentivised.

- ? Holders of Mining Leases pay rates (like other landholders) to WA Shires.....they are therefore seen by Councils as paying their own way for use of Council roads and other services.....and

? The Western Australian 'Royalties for Regions' legislation brought in by Brendan Gryll provides that a substantial (25 % from memory) proportion of mineral royalties are sequestered from consolidated revenue and allocated for use by regional councils.

No wonder that **Western Australian Councils feel that they have a direct stake in the success of mineral exploration and development.**

The South Australian Treasurer is also the South Australian Minister for Mines.....he may need little evidence to recognise that it makes sense togive a Littleto make a Lot.

Please let me know if I can help further.

With kind regards,

David Clarke