Policy Directions 7

PRIVATE MINES

PRIVATE MINES UNDER THE CURRENT MINING ACT

Over the last 175 years, the Mining Acts regulating mineral production have dealt with the possession of minerals in various ways. For significant periods of our history, the rights to minerals have been held by the Crown, on behalf of citizens, as is the case under the current Act. At other times, the rights to certain minerals were held by the particular freehold owners of the property. Usually, this system would be in place for short periods, before Parliament would return the rights to the Crown and the citizens of South Australia. The debates in Parliament around those transitions back to the Crown ownership system clearly indicate that, when mineral rights were placed into the hands of property owners (and not the community) there was substantial loss of employment across the State, and the minerals were not adequately mined to meet the construction and economic needs of the State.

In 1971, full mineral rights for the community were resumed, with significant extractive minerals operators being granted a perpetual statutory right to continue mineral extraction under the new Act. A large number of these 'private mines' are now inactive and not worked. However, our key strategic 'private mines' provide important extractive minerals to metropolitan and regional areas, and have kept construction and infrastructure costs down across South Australia for decades. The savings on transport and other costs on these extractives is somewhere in the order of $20-$40 per tonne at point of sale to the community (when compared with material costs on the eastern seaboard). These lower costs have flow on effects for extractive construction products such as concrete, cement, and plasterboard, and the cost of housing.

In the *Discussion Paper*, the Review Team indicated that there would be no move to change the underlying tenure of 'private mines' in South Australia.

WHAT YOU SAID

Some submissions were opposed to any proposal that would diminish the rights of existing private mines, while other submissions agreed with an amendment to the Act to allow for the revocation of inactive private mines (provided that the tenement holder is provided sufficient notice to respond to the revocation proposal). Submissions also recommended that private mines should be regulated like other mining activities (including rehabilitation requirements) and that the Mining Operations Plan (MOP) provisions for 'private mines' and the Program for Environmental Protection and Rehabilitation (PEPR) provisions for extractive mineral leases should be consistent and uniform.

FUTURE DIRECTIONS BEING CONSIDERED

The Department has no intention to change the underlying tenure of private mines as part of this current Review. To deal with the large number of 'private mines' that exist in areas that cannot be worked, such as those now located under large residential estates, we are considering amendments that will allow for the efficient revocation of inactive sites that are 'unable to be mined.' The Review Team is also considering ways to further align regulation requirements with those of other extractive operators, while simultaneously reducing red-tape around unnecessary reporting and application assessment requirements.

SOUTH AUSTRALIA

Government of South Australia
Department of the Premier and Cabinet

For further information on the operation of the *Mining Act 971*, see pages 11-17 of the **Leading Practice Mining Acts Review Discussion paper:** www.minerals.dpc.sa.gov.au or contact the **Resource Policy and Engagement Branch** on 08 8463 3317.

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