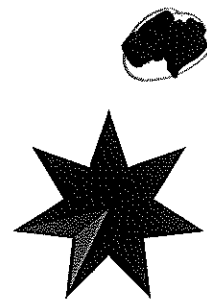


24 February 2017

Mr Ted Tyne
Executive Director Mineral Resources
Department of State Development
Level 7, 101 Grenfell Street
ADELAIDE SA 5001

Dear Mr Tyne

I write in response to your request for submissions on the *Mining Act 1971* and Regulations as part of a broader Leading Practice Mining Acts Review. Business SA's comments, from a whole of business perspective, reflect our multi-sector membership base and the significant contribution that both the mining and agriculture (with associated food & beverage manufacturing) industries make to South Australia's economy.



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and Industry South Australia

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Executive Summary

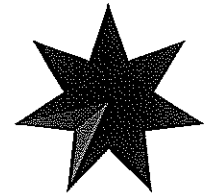
- Business SA commends the Department for its drive to reduce red-tape in the mining sector by abolishing obsolete and cumbersome legislative processes in concert with the Premier's Simplify Day (red-tape reduction) initiative we have previously submitted to.
- We agree that this review should aim to bring forward economic and social benefits from current mining prospects, particularly given the existing state of South Australia's economy and the need to act to ensure the broader economy can absorb the full loss of the auto-manufacturing sector from late 2017.
- Moves to strengthen the 'one window to government' model for assessment of mining projects is welcome and necessary to avoid eliciting the type of investment uncertainty we are seeing in the electricity market; exacerbated by unclear governance and future policy direction.
- There will always need to be a balance between satisfying the interests of competing industries in the economy and using evidence based logic to protect primary agricultural land is the optimum way to ensure blanket approaches to the mining sector do not unnecessarily diminish the prospects of major projects.
- Business SA supports any moves to increase transparency in the mining development approval process to ensure all stakeholders have the opportunity to build confidence in both the mining proponent and regulatory process.

Should you require any further information or have questions, please contact Andrew McKenna, Senior Policy Adviser, on (08) 8300 0009 or andrewm@business-sa.com.

Yours sincerely,

Anthony Penney
Executive Director, Industry and Government Engagement





Why this matter is important to South Australian businesses

As South Australia's Chamber of Commerce and Industry, Business SA is the peak business membership organisation in the State. Our members are affected by this matter in the following ways:

- Having a broad membership base, Business SA must focus on how regulation should best work to sustain economic growth, not only for mining projects, but also for ongoing agricultural production in the State which supports a broad food & beverage manufacturing sector, particularly the wine industry;
- Both the mining sector and agricultural sector are major contributors to the State's exports and considering South Australia only exports 4.5% of the nation's total, the broader economy needs export orientated sectors like mining and agriculture to grow and ensure we at least attain our per capita share of Australia's exports, 7.1%;
- There are a number of major mining project proposals at various stages of development right now and bringing forward these projects will not only benefit the mining sector, but will have a flow on impact to the broader economy which is particularly important for the State's small businesses struggling with weak local demand;
- Lowering costs and barriers to major mining projects can also induce the infrastructure investment that will benefit industry at large, particularly in regional South Australia where Business SA is focused on growth initiatives in collaboration with Regional Chambers of Commerce.

Key Policy Points

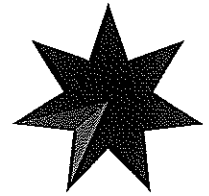
1. Lowering the costs and barriers to future mining projects should be the primary focus of the Department's review and Business SA is keen to see current proposals on the Eyre Peninsula realised to enable key economic infrastructure projects which will also benefit other industries, including deep sea ports for agriculture. A new 275KV transmission line for the Eyre Peninsula is also largely contingent on a new mining load, again highlighting the importance of bringing forward such projects.

Additionally, given the potential wind power resources on the Eyre Peninsula, a new 275 KV transmission line could be a significant benefit to realising the potential of new interconnectors between South Australia and the Eastern States.

2. Business SA's **2014 Charter for a More Prosperous South Australia** specifically called for primary production priority areas to be embedded into the planning scheme to promote growth in South Australia's export orientated economy and to leverage key pieces of economic infrastructure including the Northern Connector, now under construction, and the Northern Adelaide Irrigation Scheme (NAIS) which is undergoing a feasibility analysis.

Our two specific recommendations were to:

- a) Ensure the 30 Year Plan for Greater Adelaide is amended to specify the Primary Production Priority Areas (PPPAs) prescribed by Primary Industries and Regions SA (PIRSA), and;
- b) Ensure that PIRSA Primary Production Areas are progressively established throughout South Australia and integrated into local Development Plans to enable the ongoing productive use of 'prime' arable lands.



From Business SA's pre-election survey of members which formed the basis of our 2014 Charter, 90% of respondents agreed with the above recommendations to ensure Development Plans across the State specified PPPAs to provide long term certainty for South Australia's food production and associated food & beverage manufacturing sectors.

The policy rationale behind these recommendations was to ensure that only an evidence based approach to protecting 'prime' agricultural land from other development should prevail to ensure the competing priorities of industry sectors, including construction and mining, were not unnecessarily compromised.

3. Following the 2012 enactment of Character Preservation Acts to protect the Barossa Valley and McLaren Vale wine districts, the State Government recently passed legislation to enshrine an urban boundary for Greater Adelaide, restricting growth into designated Environment and Food Production Areas surrounding the metropolitan area. Given the recent export orientated growth in South Australia's wine and horticultural sectors, this was an important step to ensure Greater Adelaide's 30 year plan facilitates future sustainable economic growth.

Furthermore, Business SA has been a strong public proponent for advancing development of the NAIS which must have access to suitably zoned land to ensure its long-term success, particularly given official employment creation estimates are for up to 5,000 jobs anchored by a major high-tech greenhouse development.

4. While Business SA's 2014 *Charter* recommendation to Government was only to embed PPPAs with their specific evidence base, we would expect that the Mining Act Review reflects the public policy priority given to ensuring areas of primary production significance are protected. Furthermore, the Department should clarify the existing status of PPPA's beyond the Environment and Food Production Areas surrounding Adelaide. Business SA appreciates the balance between the mining and agricultural sectors and does not favour any blanket protection of arable lands, particularly when such lands may not necessarily be highly productive.
5. The exempt land provisions of the Mining Act do not appear to clearly reflect its operational outcomes when considering how exemptions under section 9AA work in practice. The Department should look to provide more clarity on the exempt land provision, particularly in relation to the basis upon which mining projects are able to proceed on exempt land with court approval, notwithstanding being subject to land holder compensation.

If the Department is looking to increase trust in its regulatory processes, this will be supported with clear legislation outlining how the Mining Act operates in practice and deals with competing priorities between industry sectors.

