

TO: Liberal Party of SA; Policy Forum on Health and Social Issues, Sunday 15th February, 2015

RE: Health and social impacts of preferencing mining over agriculture in SA, with particular reference to Rex Minerals Proposed Hillside Mine on Yorke Peninsula

FROM: Graham Mattschoss, president, Goyder SEC

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1. Background

- Recently, the Shadow Minister for Agriculture, Food and Fisheries, David Ridgway MLC noted “SA was founded on agriculture and its future prosperity remains heavily reliant upon the performance of the sector”. He argues that support for mining should not be at the expense of agriculture (Yorke Peninsula Country Times, 10/2/2015).
- But this is exactly what is happening under the Weatherill Government.
- Its preferential support for mining is evident in its recent decision to provide \$10m in taxpayer money to Oz Minerals, having earlier slashed funding to SARDI, the state’s agricultural scientific research body (Ridgeway, YPCT: 10/2/15).
- This blinkered approach ignores the fact the mining boom is over. Plummeting international commodity prices (including copper and iron) and the slow-down in China’s economy has led to the closure or scaling back of numerous mining operations in SA (eg. the recent closure of Arrium’s Peculiar Knob Mine).

2. Health and social consequences

- The Government’s seemingly unquestioning support for mining at the expense of agriculture is having a major detrimental social and health impact
 - on farmers whose land is either required for or is adjacent to planned mining operations and
 - on residents in nearby rural communities who are at risk of significant harm from these proposed mining operations.

3. A case in point - Rex Minerals proposed Hillside mine on Yorke Peninsula

- In September 2014, the Labor Government approved Rex Minerals’ proposal for an open-cut copper/gold/iron mine on the east coast of Yorke Peninsula near Pine Point, despite very strong opposition from local farmers and community residents.
- This mine will cover approx. 3,000 hectares of prime cropping land and is very close to over 600 houses and Gulf St Vincent.
- Within ten days of Government approval, Rex Minerals’ Chief Executive resigned and the Company announced that, due to falling commodity prices and its inability to get financial backing, it would focus on a smaller scale start-up, with the intention of expanding to its full scale operation some time in the future. Six months on from the announcement, the Company has still not provided any specific details on what this smaller scale start-up will entail.

3.1 Detrimental health and social impacts already experienced by local residents

Rex commenced exploration at Hillside in 2009. During the ensuing 5+ years, a number of local residents have experienced high stress levels, anxiety and, in some cases, depression, arising from the Company's activities. This, in turn, has impacted on their physical well-being and their family's quality of life.

- **Farming families** whose land lies within the mining lease have been the most affected. They face the strong possibility of losing their farms to the mining company. Five farmers are refusing to sell, with several of them in court over the matter.

The major stressors identified by these families include;

- *Not knowing whether they will lose their farm and livelihood, which, in at least one instance, has been in the family for four generations;*
- *Unable to plan for short and long term improvements to the farm*
- *Despair their hard work put into improving their farm will have been for nothing*
- *Not knowing if they can pass on the farm to their children (succession planning)*
- *Threat of possible court action by the Company to obtain a waiver of exemption over their land*
- *Financial concerns eg the mounting legal costs incurred in defending their property*
- *Initially, not knowing what their rights were re. saying no to exploration companies wanting to enter their property*
- *Threat of court action and feeling pressured to sign away their rights*
- *Not knowing who to turn to in Government for help and support, with both major parties pro-mining*
- *Less time to spend with their family/children due to long hours spent each day doing research and paperwork re. Hillside*
- *Strain on personal relationships due to stress/pressure*
- *During the exploration phase:*
 - *Noise from drilling rigs 24/7, nearly every day of the year, causing sleep deprivation.*
 - *Lights from drill rigs shining into the farmhouse at night*
 - *Concerns about the effects of drill rigs' noise and lights on livestock*
 - *Contractors trespassing on their property*
 - *Need for constant vigilance re people entering their property*

One farmer concluded: "For the past five years, our lives have been completely in limbo – we don't know what is going to happen to us and this has been made worse by not knowing what REX's announcement about a small-scale start-up means for us".

- **Farmers and residents living close to but outside the Hillside tenement**
 - The main stressors experienced by residents in adjoining settlements (eg Pine Point, Rogues Point, James Well) stem from their fears about the mine's potentially detrimental impact on their own and their families' long term health and quality of life if the mine goes ahead. Many residents are elderly retirees, who have lived in these communities for many years and have no prospect of selling up and moving away to escape the consequences of this mine.
 - Farmers in the region surrounding the mine similarly fear for their own and their children's future, due to the potential impact of mine-generated contaminants on their family's health/well-being as well as on their crops, pastures and livestock.

3.2 Health and associated risks if this mine goes ahead

Heavy metal mines are notorious environmental polluters. To date, such mines have generally been located in remote SA. In contrast, Hillside sits squarely within a prime cropping region, close to populated rural settlements, major tourism destinations and St Vincent's Gulf.

Concerns about the mine's potential long-term impact on residents' health/well-being and community cohesiveness include:

- Significantly increased air-borne dust, potentially containing contaminants such as copper sulphide and uranium;
- Increased noise levels 24 hours a day 7 days a week, making sleep difficult
- Nightly light pollution
- Contamination of rainwater tanks by air borne pollutants – a particular concern for those nearby communities entirely reliant on rain water tanks for their water supply.
- Increased traffic to and from the mine site along the already busy St Vincent's Highway
- Social problems due to a transient mining workforce
- Increased pressure on local medical and hospital facilities.

Note: there are no conditions in the Mining Lease Tenement document requiring the company or Govt. regulators to monitor the physical health of local residents to identify any detrimental impact from the mining operation. Any health problems will only be detected after it is too late

Additional concerns include

- potential wind-borne contamination of crops, pastures and livestock, which could threaten the region's reputation for 'clean, green' produce; and
- potential contamination of the waters of St Vincent's Gulf via dust, surface water run-off and ground water seepage from Hillside.

3.3 Long term risks from inadequate rehabilitation plans

A mining rehabilitation expert has described the Company's rehabilitation plans for Hillside as "minimal [and] inadequate" (Dr A. Milnes, Submission to DMITRE, August 2013). Despite calls from local residents, the open pit (2.4 kms long by 1 km wide and 450 metres deep) will not be backfilled; the three waste rock dumps will remain in situ, with the contaminated remains of the tailings dam contained with the largest of these.

The Company stated in that backfilling the pit and noticeably reducing the size of the WRDs was "unachievable economically and practically" (MLP. 2013; 8-97).

The result?

- The land will never be returned to its pre-mining cropping capacity
- In the long term (measured over hundreds, if not thousands of years) seepage and air-borne dispersal of contaminates from the mine site could continue to pose risks to the environment and health of local residents.

4. Recommendation

The proposed Hillside copper/gold/iron mine represents a real threat to the health and well being of local farmers and residents, the environment and the Gulf waters. It could also have a detrimental impact on what is arguably the state's most productive cropping land. Given that only 4.3% of land in SA is available for cropping, large-scale invasive heavy metal mining such as that proposed at Hillside should therefore be excluded from Yorke Peninsula.

It is recommended that the Liberal Party

- **Endorses, as a matter of policy, Mr Ridgway’s position that, while mining should be supported “it should not be at the expense of an industry [ie agriculture] which has been South Australia’s economic backbone” (YPCT, 2/2/105).**
- **Retracts its support for Rex Minerals’ Hillside Mining operations on the grounds that**
 - **it poses an unacceptable risk to the health and well being of local residents and to the agricultural integrity of the state’s prime cropping land**
 - **The operation now appears to carry too many risks, in view of the drop in commodity prices, Rex’s inability to get financial backing and the lack of information about its proposed smaller scale start up**
 - **the minimalist rehabilitation plans for Hillside.**

Signed

Graham Mattschoss