



## **YPLOG's response to the State Government's document:**

### **South Australian 'Multiple Land Use Framework'**

*December 2015*

*This draft Framework, released for public comment in November 2015, aims to:*

- *encourage the view that multiple land use is desirable, positive and in the best interests of SA and its people; and*
- *promote the opening up of land access to accommodate a wide range of land uses and industries as a way of maximising SA's economic prosperity.*

## **1. Introduction**

The Premier's opening comment (page 2) - "...*smart and environmentally sustainable use of land is vital to our State's long-term prosperity*" - is fully supported by YPLOG. However, the key issue is how the Government will interpret the terms 'smart' and 'environmentally sustainable'.

Unquestioning adherence to the principle that multiple land use is the best way to achieve long-term prosperity in **all** circumstances is dangerous. Opening up land access to a wider range of industries can only be beneficial if the Government accepts, and acts in accordance with, the fact that some major land use activities are totally incompatible and should be avoided. This is particularly the case in relation to agriculture and large-scale open-cut heavy metal mining.

## **2. YPLOG concerns**

### **2.1 A hidden agenda?**

Whilst not specifically stated, it seems that one of, if not the, key motivator for the development of this Framework is the Government's need to resolve the growing tension between the agricultural and mining industry caused by the latter's recent incursions into prime agricultural regions like Yorke Peninsula.

This incursion has met with growing opposition from farmers who, to protect their businesses, are invoking their legitimate rights under S 9 of the Mining Act (1971) to deny exploration/mining companies access to their land.

Given the Government's very strong political and financial support for the mining industry while virtually ignoring agriculture, YPLOG is deeply concerned that this Framework is a key part of a broader Government strategy to remove or 'water down' the farmers' rights under the Mining Act to say 'no', in order to clear the

way for mining companies to gain unimpeded access to agricultural land. This fear is heightened by the statement on page 15 that “ *As acts are reviewed, it is desirable that the concept of stakeholder engagement and multiple land use .. will be considered where appropriate*’ . This does not auger well for the long term retention of s9 of the Mining Act which at present protects cultivated land from exploration and mining’

The full implications of the Framework for the long-term viability of farming only becomes evident when it is read in conjunction with the recently released SA Copper Strategy. The aim of that Strategy – to achieve a tripling of SA’s copper production by 2030 – requires a significant increase in the number of copper mines, including in prime agricultural land. As indicated by the map on page 15 of the Strategy, Yorke Peninsula will be significantly impacted because of its known copper deposits.

This unquestioning push for expanded copper production is being promoted without any apparent regard for the effect this will have on the existing, highly productive agricultural industry across SA.

### **2.2. Failure of the Framework to provide details on how incompatible land use will be dealt with**

While the document does acknowledge (albeit in passing) that two types of industry may be incompatible (see page 6 that “ *not all land uses can be accommodated when determining multiple and sequential land outcomes*”) it fails to provide any guiding principles for how such situations will be dealt with or provide any reassurance that agriculture’s current land access rights will be protected.

We fear that the opposite may, in fact, be the Government’s preferred option, as indicated by the comment that in such situations, “ *trade-offs and potential compensation*” will be considered. This implies that, rather than denying mining access to agricultural land, the Government will over-ride farmers’ rights to refuse access in exchange for compensation.

## **3. Questioning the stated Vision, Objectives and Principles of the MLUF**

The stated objectives and principles of the Multiple Land Use Framework will not be achieved if the Government fails to recognise that agriculture and large scale open cut mining are incompatible.

### **3.1 Fostering economic prosperity**

In his opening remarks (page 2) the Premier states the *Framework* would help the Government pursue and achieve some of its 10 *Economic Priorities*, including “ *Priority 2 – premium food and wine produced in our clean environment and exported to the world*” and *foster greater wealth and opportunity*.

How can these objectives be achieved if the agricultural industry will be forced to make way for an incompatible mining industry? What is the point of jeopardising an already highly productive, sustainable and growing agricultural industry (with an impressive international reputation for clean and green products) for another industry which, by its very nature, has only a limited lifespan, where the majority of profits go off-shore to foreign investors rather than benefiting the local economy and which, through potential dust, groundwater and noise contamination of crops and pastures, has the potential to seriously damage agriculture’s major contribution to the State’ economy?

Continuing to view mining as the key industry that will pull SA out of its current economic doldrums ignores the growing number of pronouncements by economic pundits that agriculture will be the key economic driver in Australia’s future economic performance. For example, a recently released Bank SA ‘Trends Report’ (page 2, Dec.2015) notes:

*“...firms such as McKinsey and Deloitte have nominated agribusiness as one of the key drivers of growth opportunity for the Australian economy in coming decades.*”

*Of all the sectors in the Australian economy, agribusiness is seen as the sector with the strongest combination of being able to play to Australia's competitive advantages as well as producing what the world increasingly wants."*

In a subsequent interview (The Advertiser, Business Section, Dec 8<sup>th</sup> 2015), the CE of Bank SA, Mr Nick Reade, commented

*"the big eye opener for me is the food and food manufacturing industry could become our biggest employer. When you think of the car industry and defence ...this sector is significantly bigger already. The drivers are much better than for those industries....I'm pretty buoyed by the potential of this industry and the growth we expect to continue in future years".*

The Trends Report attributes this positive outlook to the growing demand, both domestically and in Asia, for premium foods

### **3.2 Support a shared commitment to multiple ..land use**

As stated on page 5, the Government wants to encourage the view that multiple land use is *"desirable, positive and in the best interests of SA and its people"*. It claims (page 3) that this approach will *"deliver increased value and ensure better outcomes for communities and landowners."* How will it deliver better outcomes for local communities forced to live in close proximity to a large, polluting mine site and for the many landowners whose farms would either be lost, or would become unviable?

### **3.3 Giving communities a say**

On page 2, the Premier states *"all interested people communities and organisations deserve a say in how land is used..."* Based on YPLOG's experiences in relation to the Hillside mine proposal on Yorke Peninsula (see later discussion), these pronouncements seem rather hollow. It became apparent very early on in the mine's approval process that the Government intended to endorse the project, irrespective of the strong (and on-going) opposition from farmers and the local community. It seems that community views which are contrary to the Government's intentions are generally not listened to. The statement that *"Cabinet will be asked to endorse the framework (p4)"* reinforces the fact that this Framework will be adopted, even if there is a high level of community opposition.

### **3.4 Sustainable and sequential land use land**

Page 3 refers to opportunities to be gained from *'Multiple land use access in a sustainable manner'*. Page 9 also suggests that where land is used *"for different purposes but not at the same time, it may include a return to a former use of the development of an alternative land use"*. However, as already noted, there is nothing sustainable about mining. Once the mineral resource has been exhausted (which may take 15 – 20 years only in the case of Hillside) the mining company moves on and, rather than leaving a landscape that has been returned to its former use, the post mining landscape is rarely suitable for productive agricultural use. This has been demonstrated many times across Australia, with the WA, Queensland and other state Governments being forced to foot the bill for cleaning up the thousands of mine sites left un-rehabilitated. (For example, according to a report by Queensland's Auditor General, that state alone has an estimated potential state liability of up to \$1billion for the clean-up of its 15,000 abandoned mines while nationwide, there are over 52,000 abandoned sites).

The situation in SA is likely to be no different, especially if Rex Minerals' rehabilitation plans for its proposed Hillside mine - now endorsed by Government - are used as the standard for any new copper mines across SA's agricultural regions. These plans have been labelled as minimalist and inadequate, not least because they leave

an open pit 2 sq. kms in area and 450 metres deep, together with massive waste rock dumps covered by a thin layer of top soil which, at best, will only be capable of supporting native vegetation and possibly some pastoral activities. In endorsing these plans, the Government accepted Rex's claim that the implementation of leading practice rehabilitation (ie levelling the WRDs, backfilling the pit etc.) would make the mine uneconomic. In so doing, it failed to undertake any independent analysis to determine whether Rex's claim was valid.

To gain acceptance of mining in agricultural lands the Government would have to impose far stricter rehabilitation requirements - ones that demanded that a company return the mine site to what it was pre-mining. It is this principle which is guiding the rehabilitation plans for the ranger Uranium mine in Kakadu National Park. In the absence of such an approach, multiple land use which allows large open-cut mines in agricultural lands will not result in any form of productive agricultural land use post mining.

### **3.5 Co-existence**

The intention of the stated Principle (page 5) to recognise *the interests of other interested land users and acknowledge and respect their intentions* is questionable. The Hillside experience suggests that it will be the successful pre-existing industry (farming) that will be required to move aside for, and acknowledge and respect the other industry (mining) seeking access to the land. Where, in the document, is there any acknowledgement that the pre-existing industry (which in the case of agriculture, has proved its economic worth to the state over more than a century) should be given respect by the mining industry by allowing farmers to continue to pursue their work unhindered? The clear indication is that all rights will be on the side of the mining industry and the agricultural sector should be willing and happy to simply move aside.

### **3.6 Reduced conflict**

Invoking the principles of multiple land use to justify the acquisition of agricultural land against the wishes of the farmers who own that land is likely to lead to greater not less conflict between mining and agriculture. No amount of leading practice engagement or compensation is going to change the opposition of 'threatened' farmers and any proposal to force landowners off their land will only heighten their resistance.

## **4. Rhetoric versus reality: The Hillside Example**

***The situation re the proposed Hillside mine on Yorke Peninsula is a prime example of why multiple land use involving competing land activities – notably agriculture and farming - is not going to succeed.***

If we take the proposed Hillside mine on Yorke Peninsula as an example, then none of the premier's claims for multiple land use have been achieved.

***Balanced competing claims?*** Rather than "balancing competing claims", the concerns of the farmers and local community have largely been ignored by a Government that has done all it can to support the Hillside proposal in the face of considerable community and farmer opposition. It has demonstrated on numerous occasions that what is in the best interests of the mining company will be given priority while local community demands will be ignored. A clear example of this is its acceptance of the Company's minimalist rehabilitation plans despite being contrary to what the community wants (see earlier discussion).

Overall, the Government's continued support and public praise for what is a junior mining company that has not been able to raise the necessary finances and cannot provide the community with any indication or surety about

when they are likely to commence work on the project is totally unacceptable and directly contradicts the promise that the Framework will be applied in a balanced way.

**Encouraging co-existence?** A case study cited on page 12 of the Framework document talks of “good faith negotiations and land access protocols with all parties to allow for the co-existence of both land uses wherever possible. Again, this is contrary to the situation between Rex Minerals and local farmers. As this Government is well aware, five farmers sitting within the Hillside Mining Tenement are still refusing to sell or lease their land to the Company, and there is no acceptance by them, or many in the local community, that such a mining project can co-exist with farming.

**Creating certainty?** The Government’s handling of the Hillside situation has not been to create certainty but to promote increased anxiety, frustration and anger amongst farmers and the local community. The level of uncertainty has, in fact, considerably increased since Rex’s announcement (just 10 days after receiving Government approval for their full scale project) that the Company intended to investigate a smaller start-up operation.

The farmers sitting with the Mining Tenement whose land is not required for the small start-up are now in a prolonged state of limbo. They now have no idea when (or even if) Rex will seek to acquire their land for the full scale operation. Their level of stress and anxiety, already high, has been exacerbated. They can no longer plan for the future, proceed with any improvements to their business operations or work towards generational change simply because they don’t know whether in one, 5 or 10 years’ time the Company will renew its efforts to buy or lease their farms to accommodate huge waste rock dumps and a very large tailings dam.

## **5. Likely consequences for YP from the combined implementation of the Government’s SA Copper Strategy and the Multiple Land Use Framework**

As indicated throughout this submission, at the present time agriculture and mining do not share a level playing field. Experience to date suggests that, rather than a fair and equitable balancing of the competing land use claims of these two industries, the Government is likely to preference mining over agriculture in virtually all situations where the two are in conflict. The damage to YP’s thriving agricultural industry is likely to be considerable.

### **5.1 Direct loss of agricultural land to mining interests**

While the Government has been keen on many occasions to point out that the Hillside mine will only cover a very small percentage of YP, this is unlikely to remain the case. That there will be a push by the exploration and mining industry for greater access to YP is inevitable given

- the region’s positioning within the Gawler Craton
- the claim by Rex Minerals that it has already identified 12 promising satellite targets close to Hillside
- the announcements by companies such as Adelaide Resources and Marmota of promising copper discoveries in northern YP.

In fact, the Government’s own map of potential copper deposits on YP shows just how much of YP’s agricultural land could be lost or compromised in coming years.

Given the Government’s oft-repeated response to local calls for Hillside to be rejected – that ‘mining and farming can co-exist’- it is highly probable that the Government will endorse any future proposals to establish similar mines elsewhere on YP. If so, just how much of YP’s prime cropping land will be sacrificed for the competing demands of the mining industry?

## **5.2 Negative impact on surrounding environment, farmland and communities**

In the case of Hillside any suggestion that the mine will have a detrimental impact on the environment and agriculture have been dismissed on the grounds that “the science is right”. This argument is flawed for two reasons:

- Because the so-called ‘science’ often relies on predictive modelling of future outcomes, the probability of any given outcome (eg that mining will not lead to decreased air quality, contamination of groundwater, increased noise levels etc) is dependent on (1) the accuracy of the model’s underpinning assumptions and (2) the accuracy and comprehensiveness of the baseline or input data. If the assumptions are wrong or if the baseline data are inadequate (as is often the case), then the predicted outcomes will also be wrong. Unfortunately, such errors do not become apparent until a disaster occurs. Because of mining’s reliance on best-guest scenarios there is no way that mining companies or Governments can give watertight guarantees that nothing will go wrong.
- The ‘science’ is only one part of the equation. Negative environmental outcomes occur because mining companies breach their operating conditions and/or Government regulators fail to implement effective monitoring and enforcement procedures to ensure compliance. There are numerous examples in Australia where this has occurred with devastating consequences. Will Hillside or any other large scale mining operation in SA be any different?

## **6. A better approach**

A alternative and more balanced approach would be for the Government to acknowledge that the growing conflict between agriculture and miners cannot be resolved by forcing the unachievable goal of co-existence onto farmers to the ultimate detriment of what is and will continue to be the State’s most important industry. Instead, it should declare that mining will be excluded from the 4.3% of agricultural land remaining in SA. This would still leave the mining industry with unfettered access to the remaining 95.7%.

This approach represents a real and meaningful method of balancing competing needs, providing certainty to both miners and farmers, overcomes the current conflict between the two industries and allow both Priority 1 and 2 to be achieved.

## **7. Conclusion**

The obvious conclusion is that the release of the Multiple Land Use Framework, coming so quickly on the heels of the endorsement of the SA Copper Strategy, is part of the push by Government to free up mining access to agricultural regions such as YP.

The only beneficiary of this policy, if applied to YP, will be the mining companies. The main losers will be farmers, the environment and the local communities living in close proximity to the mine.