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SA Productivity Commission
GPO Box 2343
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Dear Commissioner

RE : Arrangements to Manage Regulatory Burden – Extractives Supply Chain

Clay and Mineral Sales (CMS) is a South Australian family owned and operated business who quarry extractive materials around South Australia. We own and operate approximately twenty sites including Private Mines and Extractive Mineral Leases.

CMS has been operating for over 60 years and has a good relationship with the Department of Energy and Mining (DEM). Any comments made below are done so as to try and improve the systems that our industry works within.

1. Extractive Areas Rehabilitation Fund (EARF)

The EARF commenced in 1971 and is included in the Mining Act 1971 for good reason. It is to encourage quarry sites that are in need of rehabilitation to be funded so that former quarry sites can blend into the landscape.

If used properly the EARF can promote better rehabilitation outcomes, thus giving our industry a better image.

I acknowledge that since 1971 there has been a shift where the operator should, within their own operation, fund the majority of their core rehabilitation. My belief is that the EARF should fund (either in part or full) the rehabilitation for mine closure. The model of how the EARF would function is as follows;

The model is based on the premise that the operator is responsible for all rehabilitation. The fund will contribute to the costs on the following basis;

(a)The operator can claim 70% + 15%(b) of the money that has been contributed to the fund for the final rehabilitation of the site. Site must be fully rehabilitated and lease cancelled.

(b) 15% can be claimed at any time for any environmental or rehabilitation project. If this is not claimed during the life of the mine it can be claimed during the final rehab proposal.

(c) The other 15 % will go to pay for rehabilitating abandoned or old mines (Other mines/quarries).

The operator must pay for all plans out of their claim and the project is to be jointly managed with DEM.

Using the EARF for final rehabilitation will lead to better outcomes for the industry and the community.

The EARF has currently been shut down using guidelines which don't allow anyone to access the fund. Industry would like to know how much money is in the fund now? We pay money into a fund for rehabilitation which we cannot access. Times are tough and any help given to promote better outcomes would benefit everyone.

2. Current Processes - obtaining a lease or a lease renewal / upgrade

We have benefited from using the defined impact template with the main benefit being the transfer of information between the mining proposal to the PEPR. This can shorten the approval times which is helpful when trying to get approval of a lease for a specific project.

In some instances, getting a lease approved can be a long and expensive process.

From only knowing one side of the process some of our issues have been;

- (i) Information required seems to change over time. This may be a combination of different people (DEM and other government departments) reviewing the document and regulations/determinations coming into effect during the process.
- (ii) Certain issues (for example water) taking on greater significance than they might need to.

3. Native Vegetation and Native Title

Removing native vegetation when quarrying is a balance between the value of the resource and the value of the vegetation. If the cost of removing vegetation (even poor quality) is extremely expensive then extractive resources important to South Australia will be sterilised. Native Vegetation rules have changed in the last few years making it more financially difficult to obtain resources.

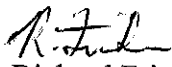
Native Title is a huge barrier to obtaining leases. With a native title survey and native title mining agreement I have been quoted between \$50000 -\$100000 to get a basic extractive mineral lease over the line (this excludes all other costs of getting a lease).

4. Social Licence to Operate or Continue Operating

My concern is that neighbours have increasingly had the ability to influence regulators. In part this (neighbours influencing regulators) should happen, but we need the DEM to support operators and be pro mining whilst being considerate of the neighbours' concerns.

If you have any questions regarding the above or wish to discuss the matter further, please contact me.

Yours Faithfully


Richard Fricker
Director