

To: South Australian Productivity Commission

Re: Draft Report – Inquiry into reform of South Australia’s Regulatory Framework

10 September 2021

Introduction

AMEC appreciates the opportunity to provide a submission to the South Australian Productivity Commission’s Draft Report on the Inquiry into reform of South Australia’s Regulatory Framework. The findings and recommendations from the final report, expected for public release in January 2022, will likely influence the future of regulatory reforms in South Australia. It is important that Industry continues to be engaged in reforms, to support the South Australian ‘Growth State’ objectives, now and into the future.

About AMEC

The Association of Mining and Exploration Companies (AMEC) is a national industry body representing over 400 member companies across Australia, with over 30 members directly investing in South Australia. Our members are explorers, emerging miners, producers, and a wide range of businesses working in and for the industry.

The mining and exploration industry make a critical contribution to the Australian economy, employing over 255,000 people, and in 2018/19 collectively paid over \$39 billion in royalties and taxation. In 2019/20 resources companies invested \$35 billion in new capital and generated more than \$176 billion in mineral exports. \$2.8 billion was spent on minerals exploration in 2019/20, representing an 18% increase from the previous year.

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General feedback

AMEC welcomes opportunities to engage with the South Australian Productivity Commission (SAPC). Inquiries such as this, which seek to gain an understanding of existing frameworks, how they work in practice, identify any potential challenges and ideas for reforms, are broadly supported by AMEC. Our long-standing policy objectives are to:

1. Reduce the cost of doing business in Australia and South Australia,
2. Reduce regulatory red tape to streamline regulatory processes.

The reports published by the Commonwealth Productivity Commission and SAPC are typically robust, and will be referred to by Industry, Government, and other internal and external stakeholders, for many years to come. It is critically important they present an accurate depiction of the Industry; the ability to do so is contingent on best-practice consultation.

The ability of Industry to develop and operate in South Australia, which is highly prospective yet relatively underexplored, requires numerous State and Federal Government approvals. AMEC continues to highlight the need to address duplication in assessment and approval processes, to support the development of projects in a timely and cost-effective manner.

The events of COVID-19 had a significant impact on all sectors across South Australia. The 'Growth State' recovery targets present an opportunity for the mineral exploration and mining industry to drive the State's recovery, but will be reliant on the right policy settings to support growth.

We welcome opportunities to work with Government to identify processes that can be streamlined, with due consultation and practical and pragmatic implementation, as per the intent of the draft report's recommendations.

South Australia's new Mining Act and Regulations

AMEC was a key stakeholder in the five-year bipartisan consultation process to develop and introduce South Australia's updated *Mining Act 1971* (Mining Act), *Mining Regulations 2020* (Regulations) and Ministerial Determinations, introduced on 1 January 2021. The consultation for that reform process was extensive and over 20 stakeholder working groups were held, providing direct engagement with over 500 individuals and 70 organisations. The substantial reforms were designed so Industry could be well-placed to drive South Australia's economic recovery from COVID-19, utilising a modernised legislative framework.

We were extremely concerned by the Parliamentary Select Committee's Inquiry on land access. As we provided to the Inquiry via a written submission and in-person testimony, ensuring a positive and mutually beneficial relationship with landholders is a priority for mineral exploration and mining companies, with the vast majority of mineral exploration companies undertaking proactive, early engagements with landholders. The timing of the Inquiry, which sought to assess the effectiveness of the new regulatory framework, was questioned.

Industry continues to advocate the importance of allowing the new framework to operate for at least one full year, before undertaking any reviews into effectiveness, and possible reforms that may result.

Securing financing to further mineral exploration activities, to discover the mines of the future, is paramount to our sector. In order to secure this financing and continue developing our Industry in South Australia, it is crucial that certainty of land access can be provided. Investment into mineral exploration, particularly greenfield exploration in previously unexplored areas, is inherently risky. To invest without confidence that activities can be undertaken, will add further risk to potential investment. Essentially, this could decrease the amount of investment South Australian projects attract, and cause further delays and uncertainty, at significant cost to Industry. This outcome should be avoided. We believe these uncertainties and concerns can be addressed by addressing duplication and cumbersome administrative processes, in consultation with Industry, through this final Report.

Final comment

South Australia is highly prospective for minerals. The modernised regulatory framework for our sector, coupled with broader streamlining initiatives, encourage investment to the State. The more investment we can attract, the further projects can develop. However, this ability will be impacted by the availability of sufficient resourcing within key approvals agencies, and a stable, effective and efficient regulatory framework, that supports transparency, and cost-effective practices.

AMEC considers that South Australia's mineral exploration and mining Industry has the ability to meet Government's Growth State targets in the right regulatory settings, and welcomes opportunities to collaborate with Government to realise the potential of South Australia's promising minerals projects.

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