



Department of State Development

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February 19 2017.

Mining Act Review for Waiver of Exemption.

DISCUSSION: What terms need to be better defined to better clarify what is 'exempt land'? What opportunities are there to clarify or amend the exempt land provisions in the Mining Act? Cross reference: section 9-9A *Mining Act 1971*. Department of State Development p.30

It has been 13 years since I raised the issue about MC3314, land subject to an Extractive Minerals Lease application that is now likely expired or cancelled and PM 22. The discussion at the time was about land use conflicts between Linwood Quarry and the land south of Perry Barr Road.

The applicant for lease at the time could not agree on providing vacant land south of Perry Barr Road as a buffer zone at the time because of a proposed housing development would be prevented.

The subject buffer land remains zoned Hills Face and the Minister at the time recommended no changes to the boundary, despite my proposal for zone amending the southern portion of "Sheep Paddock" land out of Hills Face and the closer northern portion as a quarry buffer to meet provisions of exempt land for mining purposes.

Since the outcome of the Hills Face Review in 2004 stated no changes to the boundary the Tenement Holder to my knowledge has not pursued the Extractive Mineral Lease to enable quarry operations to proceed in a south easterly direction or east.

I raised the issue with David Hopton from the Land Access Branch of the Minerals Division of PIRSA in 2004 and also then Minister Paul Holloway MLC. The response was that it was noted, interesting and complex and I was asked to put in a formal submission when the 2005 Issues Paper was to be released.

I proposed the Mining Act to be amended for a 'special provision' in some circumstances to compensate the landowner who leases land to the mining operator for the term of the new lease if Waiver of Exemption could not be agreed upon.

Compensation, as a suggestion could cover loss of income from primary production, fencing, relocation of farm infrastructure, eg water troughs, sheds etc also rates and taxes not

covered in Quarry Indenture Licence agreement. Outside the Linwood Quarry issue there is scope to take this proposal across a broader range of mining lease applications and the issues they raise for the rights of operators of long held mines and rights of landowners.

The source of funding could come as a new mining levy imposed upon the ex bin / gate sale price of extractive minerals and or precious metals or a royalty rebate scheme from the Extractive Areas Rehabilitation Fund.

The funds for compensation could be provided by the Mining operator where a partial amount of the royalty paid into the E.A.R.F. fund is rebated back to the tenement holder who leases the subject land back to the mining operator or is paid outright from the E.A.R.F. at percentage of mineral wholesale price. The amount payable would be set out by Minister once consultation was confirmed by the Minerals Committee.

Linwood Quarry

The Tenement holder owns land on both sides of Perry Barr Road with some sections being Quarry indenture land within a private mine and vacant declared rural land which should be available for mining exploration. The southern portion south of Perry Barr Rd is declared rural land not currently being used for grazing purposes.

Sustainability of Linwood Quarry

The economic benefit to extend Linwood Quarry in an easterly direction with mineral reserve in payable quantity would be a long term benefit to the Tenement holder and the E.A.R.F. The Linwood Quarry is a valuable long term source of quality construction materials and is intended that this quarry remain as a hard rock resource. The Dept. of Mines and Energy considers Linwood Quarry along with Reynella to be the two most important quarries in South Australia given the high quality and large quantity of dolomite reserves, the diminishing importance of quartzite quarries, and the favourable location of the two quarries in terms of existing and likely future markets and Linwood quarry's contribution to the construction market.

The position can best be summarized by stating that the social and economic cost to control of sterilizing large areas of other extractable material available for the next 40 years is much greater than the short term gains to be achieved from development of areas of land which should be set aside for buffer purposes.

Conclusion

Once again I look forward to your comment on the matter I have raised in the past.

Yours Sincerely,

P.W. Tapley