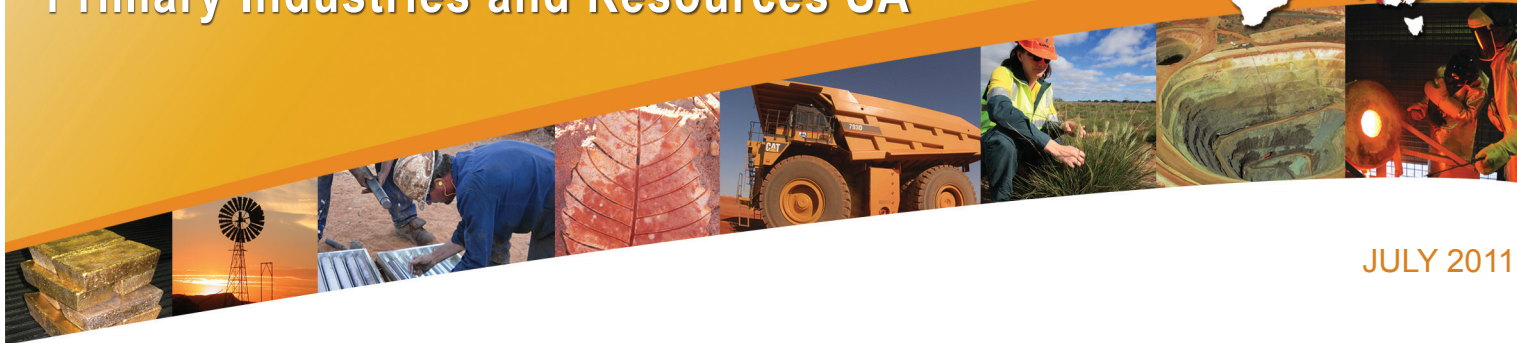


Minerals Resources Division

Primary Industries and Resources SA



JULY 2011

Regulating mineral exploration and mining in South Australia

Setting the framework for best practice regulation

South Australia possesses a wealth of minerals which are vested in the Crown.

Primary Industries and Resources SA (PIRSA), through the Minerals and Energy Resources Group is the state's economic development agency responsible for the administration and management of mineral resources and regulation of South Australia's mineral exploration and mining sectors. PIRSA is committed to the principles of effective and efficient regulation outlined in the following Policy Statement.

The Government of South Australia is encouraging the development of our mineral resources under *South Australia's Strategic Plan (SASP)* – Key Objective 1: *Growing Prosperity* which sets targets for mineral resource exploration, production and processing. The Plan recognises the importance of our resources sector in growing the state's future economic prosperity through increased business investment, regional development and opportunities for employment and skilling, balanced against key environmental and social objectives.

The broad-scale benefits achieved through the development of our mineral resources will also substantially contribute to the other SASP Key Objectives: *Improving Wellbeing, Attaining Sustainability, Fostering Creativity and Innovation, Building Communities* and *Expanding Opportunity*.

Best practice management of South Australia's mineral assets, including streamlined regulation of exploration and mining activities, attracts investment that delivers outcomes of sustainable benefit and prosperity.

PIRSA recognises that the exploration and mining sectors require predictable procedures for access to land, security of exploration and/or mining tenure and predictable regulatory processes, in order to commit to higher risks for investment in mineral resource exploration, new mine development and life-of-mine operations.

Exploration and mining companies may need to achieve a social licence to operate from the community as part of establishing effective long term working relationships with all stakeholders. In this case, community confidence in the industry's overall performance and a demonstrated commitment by companies to best practice environmental management is paramount. PIRSA recognises that community confidence will only be gained where industry and the community work together cooperatively and openly in good faith to develop and achieve mutually acceptable outcomes.

South Australia's mining legislation administered by PIRSA

The following South Australian legislation is administered by PIRSA on behalf of the Minister for Mineral Resources Development:

- *Mining Act 1971*
- *Mines and Works Inspection Act 1920*
- *Roxby Downs (Indenture Ratification) Act 1982*
- *Broken Hill Proprietary Company's Indenture Act 1937*
- *Opal Mining Act 1995*
- *Whyalla Steel Works Act 1958*
- *Offshore Minerals Act 2000*

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Policy statement

PIRSA has adopted a contemporary framework for regulating mineral exploration and mining activities which is consistent with:

- the mining legislation administered by PIRSA on behalf of the Minister for Mineral Resources Development
- Mining in South Australia Policy 2010
- South Australia's Strategic Plan 2007
- the Vision of the Ministerial Council for Minerals and Petroleum Resources for Australia's Minerals and Petroleum Industry in 2025
 - *Australia is recognised as a world-class location for minerals and petroleum exploration and development, with a competitive resources industry valued for its contribution to the sustainable development of the nation and the world.*
- publications of the Ministerial Council for Minerals and Petroleum Resources, including Principles for Engagement with Communities and Stakeholders
- our state's commitment to the regulatory solutions, forms and principles set out in *Principles and guidelines for national standard setting and regulatory action by ministerial councils and standard setting bodies*, Council of Australian Governments (2004)
- the *Leading Practice Sustainable Development Program for the Mining Industry* published by the Australian Government
- the principles of *Enduring Value* (2004) endorsed by all members of the Minerals Council of Australia, which are based on *Sustainable Development Framework* of the International Council on Mining and Metals (2003)
- relevant national standards including AS/NZS 4360: Risk Management.

Principles for effective and efficient regulation

PIRSA is committed to these fundamental regulatory principles:

- **Effectiveness and efficiency.** A streamlined, fit for purpose, regulatory approach, appropriate for the circumstances, to achieve clearly identifiable outcomes.

- **Accountability.** Ensuring responsibility and accountability are clearly assigned and understood by explorers, miners and the community.
- **Enforcement.** Ensuring explorers and miners achieve approved outcomes.
- **Engagement.** Valuing the informed involvement of communities and other stakeholders in processes leading to decision making and achievement of a social licence to operate.

Key features

Key features of our regulatory processes that will deliver effective and efficient regulation are:

- **Fair and equitable.** The interests of all stakeholders will be considered.
- **Timely.** Decisions will be made in the minimum possible time.
- **Transparent.** Public release of information on the regulatory processes and decisions will be timely and appropriate.
- **Predictable.** Processes will be consistent leading to clearly identifiable, social and economic outcomes.
- **Practical.** Outcomes will be achievable in a practical sense.
- **Flexible.** Alternative and innovative approaches that take account of changing circumstances (e.g. in technology and community expectations over the long life of a mine) will be enabled.
- **Efficient.** Red tape will be minimised and regulatory processes simplified and made 'fit for purpose' to achieve timely decision-making.
- **Objective.** Decisions will be based on sound scientific and technical information.
- **Inclusive.** Stakeholders will be engaged and informed and their views will be taken into account.

Regulatory approach

PIRSA's approach to effective regulation, including decision-making will be achieved by:

- *Application of recognised industry and national standards.*
- *A whole-of-mine-life approach through exploration, pre-production phases, production phase and the post-production phases including mine closure and completion.*
- *Balanced assessment of the economic, social and environmental impacts.*
- *Risk-based approach to determine what impacts must be managed.*
- *Performance-based criteria focusing on outcomes rather than inputs.*
- *Minimisation of liability for both government and the community.*
- *Clear accountability for the explorer or miner to achieve community and government expectations including:*
 - *stakeholder engagement to establish best practice environmental and site management processes and outcomes which are appropriate for the exploration program or for a mining development through life-of-mine and beyond mine closure*
 - *demonstration of ability to achieve agreed outcomes*
 - *demonstration of achievement of agreed outcomes.*
- *Collaboration with other government agencies to achieve government priorities, engaging their expertise and authority where required.*
- *Ensuring compliance through best practice strategies, which may include enforcement actions, that ensure explorers and miners consistently achieve agreed outcomes.*

Further information

If you have any questions regarding the amendments to the *Mining Act 1971* or the *Mining Regulations 2011* please contact the Mineral Tenements Team, PIRSA Minerals and Energy Resources on telephone: +61 8 8463 3103 or email: <pirsa.tenements@sa.gov.au>