



Primary Producers SA

Unit 4

780 South Road
GLANDORE SA 5037

Phone: 08 8297 0899

Email: awilliams@ppsa.org.au

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Executive Officer

Natural Resources Committee

GPO Box 572

Adelaide SA 5001

Inquiry into Unconventional Gas (Fracking)

Primary Producers SA (PPSA) supports the submissions being made by Livestock SA, the Wine Grape Council of SA and the Limestone Coast Grape and Wine Council – and strongly urges the Committee to seriously consider all of the concerns and issues raised by these peak primary industry bodies. PPSA also strongly suggests that these bodies be given an opportunity to appear before the Committee in the South East (Limestone Coast) and ample time to present and discuss their concerns.

Key concerns raised by primary producers include protection of water resources and air quality and impacts on brands and marketing, along with other economic, environmental and social (including health) impacts. These potential impacts need to be explored in much more detail by the Committee and we urge that the Committee seeks views and answers from highly credible and independent sources such as CSIRO. The “precautionary principle” is advocated, whereby proposals are not approved where there are risks which cannot be managed to avoid any financial or other damage to existing land users in the region, or the water resources.

The gross regional product of the South-East (Limestone Coast) region is over \$3 billion and agriculture, forestry and fishing and associated manufacturing have been estimated to make up over 40% of that value. Agriculture, horticulture and viticulture accrue large additional benefits which are retained in the local, regional and state economies – including value added through farm services, manufacturing and tourism.

PPSA’s statement of principles on mining and gas is attached. This statement includes recommendations relating to both the *Mining Act 1971* and the *Petroleum and Geothermal Energy Act 2000*.

Recommendations which we believe are relevant to this inquiry are highlighted in yellow.

In particular, we question the legislative framework in which the Minister for Mineral Resources and Energy is the key decision-maker for mining and gas proposals, rather than the relevant planning authority and despite the fact that important land use decisions are being made.

We believe that we cannot over-emphasise the importance of the views and input of the local communities and businesses – including via Livestock SA, the Wine Grape Council of SA and the Limestone Coast Grape and Wine Council – and the need for quality independent advice on issues of concern.

Yours sincerely

A handwritten signature in black ink that reads "Rob Kerin". The signature is written in a cursive style with a large initial 'R'.

Rob Kerin

**Executive Chairman
Primary Producers SA**

Mining and Gas Statement of Principles

It is vital that decision-making on mining and gas projects is underpinned by a robust knowledge base and that local communities are well informed to determine their own positions on proposals. Local communities should have their interests respected and not overridden or ignored by outsiders.

PPSA supports the following principles:

- The profitability and long-term sustainability of food and fibre production must not be compromised.
- Australia's reputation for safe, clean quality food must not be compromised.
- Water resource quality and quantity should not be compromised.
- Social, economic and environmental outcomes must not be compromised.
- A long-term view must be taken in assessing mining and gas proposals, considering any possible long-term impacts and seeking to prevent significant negative impacts over a long timescale.
- The key to productive relationships between agriculture and mineral and petroleum industries is relationships built on genuine trust and goodwill and appropriate community engagement.
- Landholder rights impacted by mineral and petroleum licences must be protected by strong regulatory frameworks.
- Land access agreements should recognise landholder and occupier property rights, and the negotiations must be respectful of farmers.

Community engagement must be consistent with the following principles:

- Transparency and full disclosure;
- Early and ongoing collaboration;
- Inclusiveness;
- Ethical and responsible business practice;
- Integrity and appropriate behaviour;
- Capacity building; and
- Listening and responding to community concerns.

Any land access agreements should include:

- Appropriate recompense for the full range of costs;
- Clear agreements with landholders regarding the disposal and acquisition of any exploration or extraction licence;
- Mining practices including compliance with drilling legislation and regarding the use of chemicals;
- Biosecurity requirements;
- WH&S requirements;
- Rehabilitation of land;
- Appropriate long-term insurance and bond arrangements;
- Arrangements for normal agricultural operations; and
- Any and all conduct while operating within the landscape.

Legislation

It is noted that the *Mining Act* provides specific protections for primary producers, whereas the *Petroleum and Geothermal Energy Act* focuses largely on the development of a Statement of Environmental Objectives (which can include financial or socio-economic objectives).

It is recommended that:

- Greater equity needs to be achieved between water management policies for agriculture, horticulture and viticulture and for mining, gas and forestry activities. Mining and petroleum exploration and extraction activities must not compromise water resources for other industries and future generations.
- Section 9 of the *Mining Act* should be amended to state “land that is lawfully and genuinely used as a yard or garden or for agriculture, horticulture or viticulture” so that the definition comprehensively covers agricultural, horticultural and viticultural operations (including grazing).
- PIRSA, PPSA and affected landholders should be included with the bodies (or people) to be consulted on the Statement of Environmental Objectives under regulation 12 of the *Petroleum and Geothermal Energy Act*.
- Consideration should be given to provisions for landholders in close proximity to mining and gas operations, who are impacted by the operations.
- Provisions in either Act relating to public notification by newspapers should be amended to include notification of key stakeholders (which would include PPSA) by more modern methods (e.g. email).
- The Minister must be certain that there is no damage – and that there is likely to be no damage which occurs, or is discovered, in the future as a result of the mining/gas activities – before approving the relinquishment of licences and releasing bonds. Landholders should not become liable for any negative impacts of mining or gas activities.
- There should be appropriate appeal provisions and mechanisms in place.
- Costs for dispute resolution (including legal, valuation and other costs) should be covered by the mining or gas proponent up-front or as they arise.
- Penalties must be of an appropriate magnitude, proportionate to risks, and to impose an adequate disincentive for negative impacts.
- Compliance reports are published by DMITRE for activities under both the *Mining Act* and the *Petroleum and Geothermal Energy Act* in a timely manner.
- Important documents such as Environmental Impact Reports, Statements of Environmental Objectives and Programs for Environment Protection and Rehabilitation, as well as licence conditions, should be publicly available and readily accessible.
- Mining and gas/petroleum legislation should be reviewed from time to time, with reference to best practices in other jurisdictions.
- Land use planning decisions should be made by the relevant planning authorities. Mining and gas activities which do not comply with development plans should not be exempt from planning approval requirements.