



## HOUSE OF ASSEMBLY

WEDNESDAY 01<sup>ST</sup> NOVEMBER 2017

### STATUTES AMENDMENT (LEADING PRACTICE IN MINING) BILL

#### *Second Reading*

Adjourned debate on second reading (resumed on motion).

**Mr PEDERICK (Hammond) (20:35):** I rise to speak to the Statutes Amendment (Leading Practice in Mining) Bill. I speak on the basis of being born and bred on a farm and also having been actively involved in the mining industry and still actively involved as an MP in the mining industry. Going back to the history of mining in South Australia, four years after South Australia was settled, in September 1840 to be exact, two Cornishmen, which is where the Pedericks came from, located a strain—I do not think it was us: we pulled up in Plympton and set up a farm and a boot shop, and I put that on the record.

**Mr van Holst Pellekaan:** You don't look like a Cornish miner.

**Mr PEDERICK:** —yes, we got a bit bigger as time went on—of silver lead ore at Glen Osmond. I believe that the Glen Osmond silver mine was one of the first mines in South Australia. This mine has an interesting modern history. Charlie Hill-Smith, of the Yalumba Hill-Smiths, owned a house, which I assume was part of the mine works, because there was a big room that had mezzanine floors at one end of the house. They had some notorious parties in there over time. Kylie Minogue was actually there at one party; I was not there for that, but be that as it may.

At the end of this room was a door that led straight into the shafts of the Glen Osmond silver mine. You could go down there and see the crib rooms and the little train tracks that they had for the carts. It was amazing. I do not think there is that access anymore. The ore from that mine at Glen Osmond was manually broken, bagged and transported to smelters in England as the first mineral export from Australia.

It must also be noted that the northern Burra mine became the largest mine in Australia for the 10 years of its life, supplying 5 per cent of the world's copper for 15 years, producing a total of 50,000 tonnes of copper metal. In 1846, gold was being produced in South Australia from the Victoria mine in the Mount Lofty Ranges, and the Victoria mine assisted in the discovery of several other gold depositories, predominantly throughout the Mount Lofty Ranges. Further to the Victoria mine, the South Australian government offered £1,000 for the discovery

of a payable goldfield. This scheme consequently led to the discovery of Jupiter Creek in 1852.

Interestingly, the discoveries and developments of mining provinces were by farm workers as more remote areas were established—well, more remote for those days. The developments and discoveries of towns, including Kapunda, Burra and Moonta, saved this state from bankruptcy. The first Australian mining laws were enacted in 1851 but, prior to this, mineral and petroleum ownership was attributable to those who were granted title to the land in which the mineral was located. I wonder, if landholders had title to the minerals under the land or had some level of royalties, whether we would have a different outcome with the mining of minerals but, as it is, it is vested in the Crown. This principle excluded what were considered to be royal mines, known for those precious metals of gold and silver.

In 1855, colonial parliaments legislated for the ownership of minerals to be allocated to the Crown in future grants of freehold title. This legislative change developed into the Crown owning nearly all minerals throughout Australia in the right of that state. Copper was first discovered in 1859, near Kadina, which subsequently created a mining boom. Even though the mine closed in 1923, it is still accessible to the public to view the ruins of the Moonta Mines. Mining certainly has a strong history within Australia, and South Australia.

There has been ongoing discussion about coal and the high power prices we have in this state. Coal was first discovered at Leigh Creek in 1888; however, it was not mined commercially until 1943. Olympic Dam is now the fourth-largest copper deposit, and the largest known single deposit of uranium in the world. Olympic Dam has given work to many people, and I will declare a slight interest here as my wife, Sally, is an environmental scientist, and she did a lot of the mound springs analysis work. At times she would stay at Marree, but she would also stay close to Olympic Dam as well to look at the impact on the mound springs when they did the first expansion many years ago.

When I think about Olympic Dam, I think about the opportunities it gave to many lads from farming families. In fact, for a while, it was called North Kimber because of the number of opportunities it gave to people from farming families from the West Coast. Obviously, they were coming from other places, but that was a common saying.

Gypsum was mined at Inneson in what is now known as Innes National Park, and I note that Cooke Plains gypsum has been going for a long time as well. Norm Paterson, a proud Liberal and proud supporter of mine, has started a very successful business, Paterson Bulk Transport. Apart from the trucking company, they are still mining gypsum and will be mining gypsum for a long time at Cooke Plains and into the future.

Dolomite is still being mined today at Ardrossan, and that is transported all over the world. There have been several new graphite discoveries on Eyre Peninsula, along with Angas Zinc Mine being discovered in 1991 on the outskirts of Strathalbyn, a town with a silver and copper mining heritage dating back to 1848. I will talk a bit more about Strathalbyn shortly.

Additional mines that have a more recent history in South Australia include the Challenger gold mine, Prominent Hill and Carrapateena, which is just coming online. At the time that Prominent Hill had its opening, I was the mining shadow and very pleased to be up there at the time. Hillside is being looked at; Hillgrove at Kanmantoo is also fully operational; and, in 2009, Iluka commenced activities west of Ceduna, being the largest, highest assemblage zircon development globally for several decades, capable of producing up to 300,000 tonnes of zircon per year.

We have had a rich mining history, but we have also had a rich farming history in this state. As I indicated earlier, my family came out here in 1840, and we settled at Plympton. It was paddocks back then. We had a farm and a boot shop before we moved out to Gawler River and Angle Vale. I note there has been some discussion about the Mindarie mine, where Murray Zircon were involved in getting that going. As a candidate, in 2005, I was heavily involved in discussions leading in to that mine starting up. It was interesting. As I have mentioned in this place before, I went to the Karoonda sheep fair, and a couple of blokes came in from Mindarie and said, 'Right, outside, we need to talk to you.' They were Mindarie farmers.

Rightly, they were concerned about the outcome of what they were going to get at the Mindarie mine in terms of access and what is being called exempt land. It never really was exempt because you could negotiate that land regarding access, which was 400 metres around a homestead, for instance. In this bill, if it gets through, it will be called restricted land, which in my view gives a more accurate description of what really happens because exempt land, in my mind, never really suited the story.

Over time, I got involved in the community consultative committee at Mindarie. We worked through a few issues, and there were some issues over time, but you have to work through these things. I must admit that I provided employment for over 100 people at any one time. An issue brought to my attention was about some of the rehabilitation work. I raised it with the Hon. Paul Holloway, who was the mining minister at the time. I said, 'You've got to come out here and look at this.' To his credit, he came out and had a look. The long story short is that, when the Chinese investment came in with \$40 million to restart that mine because it had shut down due to a lack of capital investment, part of their role was to address the rehabilitation issue. They had to do that first.

Talking about the Hon. Paul Holloway, who used to sit in the other place, I want to place something on the record, and I have done so here before. The week before the 2006 election, when I was not a member of parliament but basically just a punter, a candidate waiting to be elected, he invited me to the turning of the first sod for the Mindarie mine. It was an interesting move from across the political divide. I had a lasting working relationship with Paul Holloway for as long as he was the mining minister. I wrote him a letter when he retired and he sent me back a note. I just wanted to make that point.

Strathalbyn has the Terramin mine, which is based about one kilometre out of town. That has been interesting. It has had its challenges over time, but it also worked. It provided many jobs, and it was churning around \$70 million a year, putting a lot of money into the local community around Strathalbyn and into

companies that operated not only there but also in Murray Bridge. During the time of the River Murray drought, between 2006 and 2010, it was great fillip to local communities, when a lot of other industries were shutting down, whether it was irrigation on farming and they did not want supplies or that sort of thing. That is not to say there were no issues to deal with. I am still on that consultative committee, as I have been since 2006. We worked through issues about how to deal with the amount of water coming into the mine. In the end, they got enough reverse osmosis plants up, and that water was delivered to a local vineyard, a local farmer, to get the water out of the pit.

It is interesting that people have different perceptions of mining operations. Eighteen months after physical mining stopped at that site, someone rang my office and said, 'They are blasting under my house.' I said to them, 'They're not blasting under your house because they never did and they are certainly not doing so now.' I managed to sort through issues around lowering lights at night to have less impact and managing noise issues. They were doing lots of work putting plants on batters and banks and making things quite presentable.

I have seen the environmental work that goes through on what mining proponents either have to put up or what they have to do while they are operating a site. A lot of work goes on and there is a lot of work to get approvals. Certainly, in my own physical experience working in the mining field I worked in the Cooper Basin from 1982 to 1984. Initially I was building leases for oil rigs with scrapers, graders and bulldozers, but then for the next year, from March 1983, I worked for a company called Gearhart Australia, which was subsequently taken over by Halliburton. We did well testing and wireline work. I was a junior hand at 20 years old. We also did fracture stimulation. It was the first job where I have fallen asleep standing up. I had been up for 24 hours.

I had a handful of explosive charges and I woke up leaning against a truck, and I thought, 'That's a bit interesting.' I think occupational, health and safety has changed a bit; now they rotate the crews a bit more. It was an interesting time. I have seen when an engineer shoots off site, and when he shot water and not gas that was the end of his job. He disabled an oil and gas well in one fell stroke because he did not get the depth right. That was some of my experience. Whether it was working inside cased wells or through tubing perforation, I did a lot of that work in Queensland in the Cooper Basin.

I know that there is a lot of talk that mining might take over the country. We do not want mining to take over all the agricultural land—absolutely not—but both industries are vital for this state. From what I understand, the mining footprint in South Australia is less than that of hotel car parks. There has been far more land subsumed by urban development than by mining. I know that there is talk about acquisition and generational farmers, and absolutely I can feel their pain.

My father died a couple of years ago. He was nearly 95 and he knew Salisbury and Elizabeth when they were bare paddocks. They have been urbanised. The best value land is probably directly under our feet, right here in Parliament House, the best value land in the state, but we cannot grow crop on it. I understand that, but there are opportunities out there. I note some of the arguments that come back from Grain Producers SA that they do not want to see mining on agricultural-producing land.

What I do know about grain farmers, being one myself, is the simple fact that grain farmers want competition, and part of that competition, if it does happen, is the Iron Road development on the West Coast, on Eyre Peninsula, where there is potentially the opportunity for a mine. Obviously they are waiting for investment approvals and a whole range of compliance issues. The only way that we are going to get competition in the grains industry in this state is if there is the opportunity to share a wharf with a miner. I just put that on the record.

But do not get me wrong: my family has farmed in this state since 1840. I may be the last one. We need to make it work, but we also need regional development. We need jobs in the regions because as the regions deteriorate—and they do with population—services disappear, whether it is education or health, but we need to do it right, so we need better compliance and we need to make sure it is right. We will ask a lot of questions during the committee stage of the bill to see how far this goes. I have some reservations, and I know that some of my colleagues are saying that it does not go far enough. Perhaps it does not, but what I have seen in the bill is an improvement on what we have had.

I reflect on compulsory acquisition. I know that it is not relative to mining, but my family has been involved in compulsory acquisition three times. In 1939, at Angle Vale, when the weapons dumps were put in that was on Pederick country. Eleven years later, in 1950, as part of Edinburgh Air Base my grandfather did a few more acres in. My father moved down to Coomandook in 1961. He probably thought that world peace had finally happened but, no, within 10 or 12 years there was a move to move the Dukes Highway. I am just thankful that they did not put it where they were going to do the bypass around Coomandook and put a main highway between our shearing shed and our homestead, which would have made the farm virtually unusable.

But they did move it; they did move the Dukes Highway. They took 7½ acres of land, and at the time they paid \$1,000 an acre, which was 2½ times the value of that land, and they put in new fences, but we had no choice in that. I am just putting that as a comparison: you do not basically have a choice with compulsory acquisition, but you have to negotiate an outcome. I was not privy to, and never heard the full story about, what happened in 1939 or 1950, but I am quite aware of what happened in the seventies.

What I am saying is that we have to get it right. We have to give farmers more negotiation rights. We have to give them those access rights. We also cannot turn our back on the minerals industry in this state because both mining and agriculture have been the base industries, below everything else, that helped start this state, and they will continue to drive this state forward. But we have the opportunity through this legislation to get that right. We will have a big discussion through the committee stage.