

To: South Australia State Planning Commission

Re: Limestone Coast Regional Plan

22 May 2023

Introduction

AMEC appreciates the opportunity to provide a submission to the South Australian Planning Commission's Limestone Coast Regional Plan consultation process. We welcome ongoing engagement with the Commission, relevant Government agencies, and other key stakeholders, as this process progresses.

About AMEC

The Association of Mining and Exploration Companies (AMEC) is a national industry association representing over 540 member companies across Australia, with over 37 member companies with direct project interests in South Australia. Our members are mineral explorers, emerging miners, producers, and a wide range of businesses working in and for the industry. Collectively, AMEC's member companies account for over \$100 billion of the mineral exploration and mining sector's capital value.

Mineral exploration and mining make a critical contribution to Australia's economy, directly employing over 274,000 people. In 2020/21 Industry generated a record high \$301 billion in mining exports, invested \$3.2 billion in exploration expenditure to discover the mines of the future, and collectively paid over \$39.3 billion in royalties and taxes.

In South Australia in 2021-2022(FY) mineral exploration expenditure was at an 8-year high at \$122.3 million, a 34% increase from the previous year, and \$2.5 billion was spent on capital expenditure. In 2020-21, over \$237 million was generated in royalties from the \$7.1 billion in mineral commodity sales, representing a record high.

Limestone Coast Regional Plan

General Comments

AMEC represents a range of mineral explorers seeking to discover and operationalise the mines of the future across South Australia's prospective landscape, including areas of the Limestone Coast, such as Naracoorte, Robe and Grant. A number of Rare Earth Element (REE) mineral exploration companies are diligently working through robust approvals processes, legislated by the South Australian Government and the Commonwealth, as they seek to ensure South Australia can play an important role in Australia's broader decarbonisation and critical minerals future.

Establishing a forward-looking Regional Plan that supports these emerging industries by enabling greater infrastructure and regional development to capitalise on these opportunities whilst economic conditions are favourable, will best position the region and the State, to weather times of economic uncertainty. We welcome the timeliness of this review, to update the 2011 Plan.

The benefits of mineral exploration and mining are relatively under-promoted, but undeniable, in this region. Widespread, long-term economic and social initiatives can be provided by the royalties producing mines afford. These royalties support increased schools, hospitals, public services (such as frontline health and emergency workers), roads, and lead to increased local job opportunities and a highly skilled local workforce.

Ensuring the region's short, medium and long-term plans account for the shifts in industry practices and sovereign capabilities, is fundamental to supporting the responsible, sustainable growth of the sector, to meet the development needs of these projects, as they scale up.

Critical minerals opportunities – strategic Government priority

With a South Australian Critical Minerals Strategy progressing towards finalisation, to coincide with the release of the Commonwealth's Critical Minerals Strategy, it is prime time for regional plans to consider the facilitating role they will play in enabling infrastructure and the streamlining of associated developments.

There is consistent recognition of the importance of the minerals sector, particularly critical minerals, as a State and Federal priority which is reflected in a range of the State and Federal Government documents listed for their relevance for the development of this plan. This includes the National Freight and Supply Chain Strategy, Department for Energy and Mining Strategy, Climate Change Action Plan, Infrastructure SA, and other important documents and frameworks.

REE in particular, have been lauded as a strategic priority for Australia's defence capabilities, and their magnet potentials in batteries and renewable energy sources. In order to capture downstream processing and value add options along the supply chain, there first needs to be a mine. These opportunities are unlikely to be domiciled locally, without agile policy that attracts investment. Key to investment attraction are approvals timeframes, the cost of operating, and the cost competitiveness of operating in one jurisdiction instead of others. Timely approvals and a pathway to development and export potential, are critical to the growth of this sector. This requires collaboration between State, Federal and Local Governments, to facilitate these critical pathways.

With a range of projects in the development pipeline, there is ample opportunity for the Limestone Coast to diversify its economic and industrial portfolio, to be a leader in REE. REE are critical minerals required across the globe. Demand far outweighs supply, and with majority of the world's supply currently located in China, there is impetus to develop projects that provide supply chain security.

All mineral exploration, including critical minerals projects, undergo extensive social, environmental, cultural heritage, and governance assessments. With arguably the strongest ESG credentials in the world, Australia's minerals sector has a long history of diligent exploration and mining, which continues to develop to meet investor and community expectations.

Our members in the Limestone Coast region are investing in the local communities, local schools, and with regional communities, to ensure best practice engagement is upheld, and the net benefits of these projects can be maximised for the region. There is strong demand for the products they have

the ability to produce, and develop academic and technical excellence for the State's benefit in, in the right policy and development settings.

Important acknowledgements a forward-looking Regional Plan should include

With Planning legislation and Mining legislation both having numerous points of cross-over and interaction, and often duplication between various State and Commonwealth arrangements, a concerted effort should be undertaken to identify who is responsible for each step of the process. With countless consultation and reform projects currently underway, in a resource and budget constrained environment, time and cost pressures continue to pose a significant challenge, but this is an important step to ultimately streamline approvals and reduce red tape.

Water is a fundamental requirement of all exploration and mining projects. Groundwater studies are undertaken for approvals processes from the exploration stages, but there is a strong need for reliable, accessible, and cost-effective access to water to support the project, staffing, and the townsite. Access to reliable water sources can often be a challenge, particularly with regional water plans and allocations subject to flow-on effects from the Murray Darling Basin Plan.

Similarly, access to reliable, affordable and stable energy sources will underpin the operating costs and flowsheets of an exploration operation looking to develop into mining. Critical minerals projects are more reliant on chemical separation and processing than typical hard rock base metals projects. Therefore, reliable sources of energy, that can also demonstrate consideration of how net zero targets will be met, must constantly be reassessed. A regional plan that holistically addresses this challenge, with flexibility for individual projects to alter their situational solutions, is recommended.

Roads and transport routes will underpin the ease of access to the operation. This will impact the access for the workforce, which must be safe and reliable, and the transport methods, which in addition to being safe and effective, must also contribute to decarbonisation targets. The selection of export means and transport routes will be dependent on infrastructure and capacity to expand, subject to demand and scale. The navigation of zoning, with potential to alter subject to consultation with the community, is important in developing a plan. This will significantly impact the operating costs for explorers shifting into production, as well as other industries, and can prove to be a determining factor when considering the economics of a project. In order to develop a mine into production, the economics of return need to outweigh the costs. Regional plans that account for strategic infrastructure development in-line with State and Commonwealth developments, representing the opportunities of the region, such as the emerging REE sector, can capture competitive funding to enable these large-scale, yet transformative projects.

Accommodation is required to safely house workers in the region, and support other land uses. Whilst the preference is always to hire locally, there is typically a reliance on a FIFO / DIDO workforce to complement the local workforce, and build up skillsets. Affordable housing located close to transport routes is fundamental to building a local workforce. Community infrastructure and supporting resources such as entertainment, shops, petrol, healthcare services, schools and retail, will be required as the population and demographics shift.

More broadly, the Plan would benefit from working in tandem with InfrastructureSA to identify infrastructure priorities for the region, including physical and technological enhancements. Reliable

communications networks are vital to long-term planning, and upgrades to existing networks should be incrementally accounted for in regional plans to ensure connectivity is not disrupted as it is enhanced.

Final comment

AMEC welcomes the development of the Limestone Coast Regional Plan, to more accurately reflect emerging opportunities present within the region. The critical minerals projects in the Limestone Coast Region have the potential to unlock untapped opportunities for South Australia, in alignment with State and National priorities. An agile Regional Plan can support the growth of this industry, to the benefit of the Region.

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