

Murray Mallee Community Consultative Committee (Mineral Sands)

Summary of Meeting No 4 Held at East Murray Community Centre 10:00 am Wednesday, 2 February 2005

Attendees: Pru Freeman (Minerals & Energy), Garry Wardle (M&E), Gale Pfitzner (landowner), Grant Dixon (landowner), Darren Eatts (landowner), Kevin Heidrich (landowner), John Berger (landowner), Kevin Burdett (Mayor - DCKEM), Peter Smithson (CEO – DCKEM), Brenton Lewis (Murraylands Regional Development Board), Brian Francis (Riverland Regional Development Board), Gerard Bosch (Australian Zircon NL (AZC)), Peter Hinner (AZC), Chris McDonough (PIRSA Rural Solutions).

Apologies: Trent Mader (Riverland Development Corp), Darryl McNeilly (Murray Mallee Soil Conservation Board), Paul Heithersay (Minerals and Energy).

Pru Freeman, Acting Director - Mineral Resources Group, chaired the meeting on behalf of PIRSA Minerals and Energy Directorate.

1 Minutes

- The distributed minutes were accepted without change.

2 Business Arising

- Minister Holloway held a meeting at Kevin Heidrich's property on 4th December 2004 to discuss the proposed mining lease rental regime with affected landowners.
- PIRSA confirms that GST is applicable to all rental payments received from mining companies and PIRSA is obliged to deduct the GST component prior to passing on any payments to landowners. By comparison, the Victorian government also includes GST but the rental rate for companies is only half the amount and no payments are made to landowners.
- PIRSA discussed the surrender of a mining lease. The Minister must be satisfied that no issues relating to rent, royalties or rehabilitation are outstanding before approving the surrender of a lease. This involves an inspection by a PIRSA officer of final rehabilitation and mine closure. This inspection normally involves input from the landholder.

3 Trial Rehabilitation on Cropping Land – Chris McDonough

- Chris McDonough of PIRSA Rural Solutions provided a presentation on AZC's soil rehabilitation trials conducted in 2004.

- Chris works with dryland farmers in the Mallee region on sustainable farming projects and was engaged by AZC to provide an agronomist's perspective and assessment of these initial trials.
- AZC described the work undertaken in the preparation of the trial sites and the nature of the soil profiles.
- Evaluation of the sites showed that while crop establishment was very good and crop yields were reasonable within the trial sites compared with the surrounding paddock (in the context of a particularly difficult growing season), adjacent areas that had been subjected to high traffic rates performed poorly. It was concluded that traffic compaction over the more sandy profiles contributed to this poor crop performance and that similar areas should be ripped then rolled following soil profile reinstatement.
- These first trials have provided valuable information to assist additional trials to be conducted during 2005.

4 Mining Lease Rentals

- PIRSA provided a brief summary on the existing rental regime for mining tenements in South Australia and the current AZC proposal for reduced rental on 'non-operative' mining leases. The minister is expected to make a decision on AZC's proposal shortly.
- PIRSA tabled details of how the payment of rent from AZC to PIRSA to landowner is managed and how GST is treated in these transactions.

5 General Business

- PIRSA has reviewed the status of mineral sand mining in Victorian regarding rights and procedures for landowners and a report is being prepared for the Minister. Differences in Victoria include :-
 - When considering compensation, Crown gives precedence to the use of land that generates the higher financial return on a per-hectare basis.
 - Local government gets to 'sign off' on rehabilitation following mining.
 - No Warden's Court.
 - No rent to landowners.
- PIRSA will be taking the minister around similar mineral sand mining operations in Western Australia shortly.
- MRDB and/or the Mallee Strategic Task Force may be able to assist in the establishment of a weather station for the Mindarie Project. This would also benefit the surrounding community.
- AZC provided an update of the project, noting that delays had occurred due to external circumstances and that the company now expected to reach financial close and make a decision regarding mining in about 3 months. Other developments included the application for a Miscellaneous Purposes Licence for the Pyap to Mindarie powerline and applications for Development Approval for an accommodation camp and the Mineral Separation Plant at Mindarie.

- AZC together with the MRDB are also making applications to state and federal government bodies to access funding for infrastructure development including power and the upgrade and sealing of the Mindarie – EMAS – Maggea – Waikerie road.
- Additional soil rehabilitation trial sites will be prepared over the next few months.
- Discussions are underway concerning communications requirements for the project. It is not clear if this will lead to a general improvement in communications for the local area. MRDB informs that broadband will be made available to the whole region anyway once landowners register through the MRDB.

6 Next meeting

The next meeting will be held at the East Murray Community Centre @ 10.00am on Wednesday, 6th April 2005.

Meeting closed at 1:00 pm.

Signed.....
Chair

Date...../...../.....