

## ***INQUIRY INTO THE IMPACTS OF MINING IN THE MURRAY DARLING BASIN***

The National Farmers' Federation (NFF) is the peak farming lobby group representing producers of all major commodities in relation to issues affecting more than one State or commodity. The NFF's membership comprises State farm bodies, commodity organisations and also members associated with farmers through the agricultural supply chain.

Australian farming is a success story, and it relies on the productive and sustainable management of Australia's agricultural lands. Australian farms and their closely related sectors generate \$137 billion-a-year in production – underpinning 12% of GDP. Farmers occupy and manage 54% of Australia's landmass, and are responsible for delivering environmental outcomes on behalf of the broader community.

Moreover, the world faces severe food shortages and Australia is well placed to meet an ever growing need. Anything that threatens that ability, whether it be through government policy, regulation or pressure from competitive land use, is of serious concern to NFF and we believe the country as a whole.

The agricultural and mining industries have co-existed in regional Australia, and both the agricultural and mining industries have continued to experience growth over recent years. While the area of Australia under agricultural lands has tended to remain fairly constant over this time, the area under mining has expanded to access new mineral resources in order to service new markets. As a consequence we are seeing an increasing opportunity for conflicts as the industries compete to access resources. Practical, current and extremely sensitive examples of this conflict are occurring in NSW and Queensland. We expect that this potential for conflict will increase as mining exploration continues over the coming years.

NFF does not consider itself to have an 'anti-mining' philosophy by any means, but we do have serious concerns about the rules of engagement between mining and agricultural production. These rules of engagement need to be much clearer and legally enforceable.

Key to this is establishing a regime that provides a fair and equitable process for managing the mining and agricultural interface and ensures that property rights of farmers and broader social and environmental issues are given due consideration by governments throughout the entire process relating to all aspects of mining activities.

In some exceptional circumstances governments need to seriously consider whether it is in the best interests of the community to in fact mine in an agriculture region that has exceptionally high production values. Factors that should be considered is the impact on the quantity of food production that would result from the land being made inaccessible for farming production over a period of time and what are the risks associated with the land never returning to its original agricultural production value.

If exploration and or mining is to occur in an agricultural region, the potential impacts on agricultural lands and the associated natural resource base need to be considered and appropriately dealt with through legislative and policy mechanisms. Our concerns relate to uncertainty around the impacts of mining, but also with regard to the adequacy of government procedures for making transparent and sound long-term decisions on mining development which safeguard the natural resources on which agriculture and broader society rely.

The NFF has significant concerns regarding the impact of mining on land and water resources throughout the life of a mining operation. Risks exist during resource exploration, during mining operation, in the residual materials which remain as a consequence of mining and the rehabilitation of land resources once mining operations have been completed. Experience has shown that mining operations can have significant impacts on ground and surface water, which go on to impact catchments and impair resource quality. The experience of the agricultural industries in dealing with ground water salinity and the significant risk that this issue still poses in many agricultural regions shows that once any damage is done to ground water systems, the opportunity to turn the situation around is difficult, costly and comes at an ongoing price as a consequence of productivity decline. The recent reports in the media of heavy metal contamination in run-off from the disused Canyon Colliery in the Blue Mountains, and the difficulties in engaging the previous mine operator to undertake remediation, illustrate the risks to natural resources from mining. As global food security increases in its importance it is vital that Australia learns from its past experiences and works to avoid the impacts on our natural resource base.

For example, current cases suggest that there is inadequate understanding of the long-term impact of exploration and mining on water resources, particularly groundwater. This is highlighted by evidence in a recent case before the NSW Mining Warden's Court (*Alcorn and Brown vs Coal Mines Australia Limited*) and is also reflected in work currently being undertaken by the Water Commission.

Research is a critical component to understanding how mining may impact on the natural resource base and also in understanding risks during the operation of a mine and restoration of mine sites. Mining is a temporary land use, and while the operation may occur over tens of years, there will be a point at which the mining resource is exhausted and the land will be rehabilitated for an alternative use. The legacy that may remain through foregone agricultural production from damage to water resources from mining operations need to be accounted for when considering possible mining operations. In the absence of a clear understanding of the risks throughout the life of a potential mining operation and clear plans for addressing the risks, we believe that mining operations should be either delayed until the research is done, or postponed indefinitely.

The NFF also has significant concerns over the adequacy of the planning and regulatory process that support the evaluation and operation of mining development. We have been working with individuals who have experienced difficulties with mining operators who have improperly accessed land, as well as individuals who are dealing with the legacy of exploratory activities and mining operations. Our experience suggest that there is a demand for greater clarity in the regulations around accessing land for exploration purposes, but also far better engagement with the community by mining companies.

There is a need to recognise and promote best practice in the engagement of regional communities by mining companies as they seek to pursue exploration activities. Mines do not just affect individuals whose land is directly affected by the mining operations, but the broader communities that live in the catchments and broader regions involved. These local communities have a wealth of knowledge about the land and water resources in their region, and this should be acknowledged and valued during the process of exploration. It is also important that their concerns regarding the potential impacts of mining on land and water resources be recognized and addressed up front.

The NFF acknowledges that the two strong regional industries of agriculture and mining can in the most part successfully co-exist and work in cooperation together strengthen the success of regional Australia. This is particularly evident in recent work between the NFF and the Minerals Council of Australia in maximising our labour needs in regional Australia.

Nevertheless, in more recent times it has become evident that the current engagement mechanisms and research data are not necessarily adequate to the extent that the economic, social and environmental impacts of mining in a regional community need to be placed under greater scrutiny before exploration and/or mining licences are granted by governments.

21 September 2009

☺☺☺