

House of Representatives Standing Committee
on Industry and Resources

SYDNEY MARINE SAND PTY LIMITED

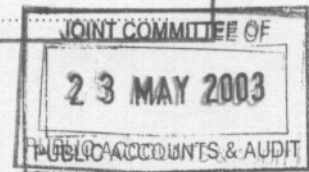
Submission No: 117

Date Received: 23 May '03

Secretary: *Jurrah*

May 21, 2003

The Secretary
House of Representatives
Standing Committee on Industry and Resources
Parliament House
CANBERRA ACT 2600



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Dear Secretary

Thank you for the opportunity to make a submission to the inquiry into Resources Exploration Impediments. Sydney Marine Sand P/L (SMS) apologises for this late submission, however the company did not envisage any impediment to its proposed exploration program when submissions were initially sought in July 2002.

The Company only wishes to provide comment on one of the terms of reference of the inquiry, that being: "Environmental and other approval processes, including across jurisdictions".

SMS is a private Australian company, incorporated in September 2000. The company was explicitly set up to investigate the largely unexplored marine environment off the NSW coast for marine aggregate. Intended uses for any potential resource identified by the exploration includes sand for the construction industry and possibly for the nourishment of eroded beaches on the NSW coast.

In December, 2000, the company lodged a Mineral Exploration Licence (MEL) in Commonwealth waters off the NSW Central Coast under the Commonwealth's *Offshore Minerals Act 1994* (The Act). At the time of writing this submission, 30 months hence, the company still awaits a determination on its application.

Under the Act, there is a Designated Authority (DA) and a Joint Authority (JA). The DA is the State Minister responsible for coastline off which the MEL lies, while the JA is constituted by the responsible State Minister and the responsible Commonwealth Minister (Minister of Industry, Tourism and Resources). MEL applications are lodged with and administered by the DA. If the applicant does what is required by the Act, the DA must refer the application to the JA. Processing of the application is carried out by both the respective Minister's portfolio departments, being, in this case, the NSW Department of Mineral Resources and the Commonwealth Department of Industry Tourism and Resources (DITR).

It took nearly 2 years for these departments to process the application and refer the MEL to their respective Ministers. Neither department appears to have good working knowledge of the Act. Neither demonstrates a good understanding of their obligations with regards to determining the application. In addition, there has been a number of department officials dealing with the application since it was lodged. We have not encountered one member of

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staff empowered to oversee the application process to ensure that both departments did what was required within a reasonable timeframe. When contacting the various departments to establish progress of the application, a standard response has been, "it is currently with the other department". SMS has witnessed much inter-departmental blaming (of the other) for the prolonged delays.

SMS has met all the requirements under the Act. The Company understands that the process was finally complete at the end of October 2002. Comments were sought and received from the public and relevant State and Commonwealth departments, and the Coastal Council of NSW. The local council, Gosford City Council, was consulted. As far as we are aware, there were no objections to the application. SMS has been advised that the proposed Licence Conditions for the MEL have been agreed between the NSW and Commonwealth authorities.

The application has since been with the respective Ministers. Neither has made a determination on the application. The final decision rests with the Commonwealth Minister who, under the Act, has the authority to decide the matter with or without the input of the DA and his decision has the effect as the Authority's decision.

The Company has written a number of letters to the Minister in an effort to obtain a resolution to this matter and an indication as to when a determination is likely to be made. The Company has been advised by ministerial staff that the Minister is waiting on the State Minister to make a recommendation. SMS has also been advised that, although able to make a decision under the Act, the Minister will not be acting unilaterally. We understand no time frame was put to the State Minister in which to make a recommendation. In order to expedite this matter, SMS has twice requested a meeting with the Minister, but has been informed by ministerial staff that we cannot meet with him.

Substantial investment was secured prior to the incorporation of the company to fund the proposed exploration program. This investment, however, is currently under threat due to the prevaricating by both authorities and the excessive amounts of time the relevant departments, and their respective ministers, have taken to process the application.

DITR is charged with promoting offshore mineral exploration and overseas investment in marine industries and downstream technologies. The Minister's Industry, Tourism and Resources portfolio identified a number of priorities in 2002-03 that included Investment and Resources Exploration and Development. SMS has sourced investment and is seeking to explore for minerals in the marine environment. If that exploration is successful then the Company intends developing a new offshore minerals industry in Australia.

In our experience the greatest impediment to these stated aims is the very government authority charged with promoting mineral exploration and investment in the minerals industry.

Yours respectfully,



Darren Skene
Executive Director