

SYDNEY MARINE SAND PTY LIMITED

30 October 2019

Resources Sector Regulation Productivity Commission Issues Paper

In response to the Productivity Commission request for submissions to the Resources Sector Regulation inquiry, Sydney Marine Sand Pty Limited addresses below the first area of focus in the four stages of the approvals process;

Application

Sydney Marine Sand Pty Limited (SMS) is an Australian company incorporated in 2000. The company was set up to develop a new and innovative marine minerals industry and explore for marine aggregate (sand) in Commonwealth waters on the NSW continental shelf. The principal intended use for any discovered resource is the long-term, sustainable supply of sand for the Sydney construction industry. A secondary but valuable use is for the replenishment of sand on eroded beaches along Sydney's coast.

The company submitted its fourth Mineral Exploration Licence (MEL) application, MEL-10, in August 2012. MEL-10 has not been finalised or determined. The delays, prevarication, obfuscation and lack of response by both the responsible NSW and Commonwealth government departments is beyond belief.

MEL applications in Commonwealth waters fall under the Commonwealth's *Offshore Minerals Act 1994 (The Act)*. 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 comprises the responsible state minister and the responsible Commonwealth minister. The application is processed by both the ministers' portfolio departments before being determined by the respective ministers.

These departments have, in seven years, failed to complete the application process. This highlights that the process is cumbersome and inefficient.

The company's experience within the mineral exploration sector highlights a vital and necessary game-changing reform: the need to simplify and streamline the mineral exploration licence assessment process.

The ongoing experience of SMS – across all four MELs – is that communication between the relevant departments, respective ministers and the company is sporadic and ineffective. It is very difficult to obtain a response to requests for information about the MEL.

Subsequent NSW and federal governments, both Labor and Liberal, have prevaricated and delayed decision-making. The time taken to process the applications contradicts comments and commitments of successive governments and ministers to encourage, support and promote mineral exploration. A clear barrier to success is the application process itself.

The main impediment to the success of the company is the delay in processing the applications. Without a determination, the company is in limbo and the lack of a decision is seriously impacting the business and its efforts to develop a new marine minerals industry.

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SMS has met all the requirements under *The Act*. The Mineral Exploration Licence application should be assessed on its merits and there is no legal reason or precedent to delay or prevent approval of MEL-10.

The Company welcomes the opportunity to provide further information or clarification.

Yours sincerely,

Darren Skene
Managing Director