

PRODUCTIVITY  
COMMISSION INQUIRY -  
**BARRIERS TO  
RESOURCE  
EXPLORATION**

NSW MINERALS COUNCIL  
SUBMISSION

MARCH 2013



NEW SOUTH WALES  
MINERALS COUNCIL LTD

# Contents

<b>1</b>	<b>Introduction</b>	<b>3</b>
1.1	<i>About the NSW Minerals Council (NSWMC)</i>	3
1.2	<i>Structure of the Submission</i>	3
<b>2</b>	<b>NSW Exploration – Where We Stand</b>	<b>4</b>
2.1	<i>The NSW Minerals Industry</i>	4
2.2	<i>Community and NSW Minerals</i>	4
2.3	<i>How NSW Rates as an Exploration Destination</i>	4
<b>3</b>	<b>Barriers to Mineral Exploration in NSW</b>	<b>5</b>
3.1	<i>Regulatory Burden</i>	5
3.2	<i>Time Frames of Government Approvals Processes</i>	7
3.3	<i>Duplication between Local, State and Commonwealth Regulation</i>	8
3.4	<i>Costs of Non-financial Barriers and International Competitiveness</i>	8
<b>4</b>	<b>Priorities and Recommended Actions</b>	<b>9</b>

# 1 Introduction

The NSW Minerals Council (NSWMC) welcomes the opportunity to present a submission on the inquiry into the non-financial barriers to mineral and energy resource exploration in Australia to the Australian Government Productivity Commission.

Recent years have brought NSW explorers a significant increase in legislative and policy requirements, as well as administrative expense. There is evidence that these issues have already deterred exploration in NSW, with explorers moving to other states and more favourable international jurisdictions.

Our industry needs certainty and confidence. The framework for exploration and land access must be clear and efficient. This is critical to maintain our basic licence to operate. NSWMC has been at the forefront of the charge to minimise the regulatory burden for NSW explorers and provide information, guidelines, workshops, forums and advice to explorers to assist them to adapt to the shifting policy and business environment.

NSWMC would welcome further consultation on the barriers to mineral exploration. For further information on this submission, please contact Lucy McClean, Policy Manager Exploration and Environment,

## 1.1 About the NSW Minerals Council (NSWMC)

The NSW Minerals Council (NSWMC) is the peak industry association representing the State's \$24.5 billion minerals industry. We work closely with government, industry groups, stakeholders and the community to foster a dynamic, efficient and sustainable minerals industry in NSW. NSWMC is a major stakeholder in many of the environmental, social, regulatory and economic issues critical to the sustainable development of NSW.

NSWMC does not represent the coal seam gas industry, which is represented by the Australian Petroleum Production and Exploration Association.

## 1.2 Structure of the Submission

NSWMC represents members' interests in NSW, so comments in this submission will generally relate only to NSW.

The comments in the submission and recommendations to the Productivity Commission align with the key objectives stated in the Inquiry's Terms of Reference:

- Regulatory burden
- Time Frames of government approvals processes
- Duplication between local, state and Commonwealth regulation
- Costs of non-financial barriers and international competitiveness
- Priorities and recommended actions to improve the regulatory environment.

NSWMC notes that "*production.... and the processing of these resources... are outside the scope of the inquiry*"<sup>1</sup>. We believe, however, the process of gaining a mining approval should be included in this inquiry, and comments on this critical stage have been included in this submission.

---

<sup>1</sup> Mineral and Energy Resource Exploration *Productivity Commission Issues Paper*, December 2012



## 2 NSW Exploration – Where We Stand

### 2.1 The NSW Minerals Industry

NSW has had a long, proud tradition in the minerals industry. The first gold rush in Australia began in 1851 when prospector Edward Hargraves claimed the discovery of payable gold near Bathurst. Coal was first discovered in Australia by Bass and Flinders in the area now known as Wollongong and the first ever export from Australia was a ship of coal from Newcastle to India in 1798.

Today NSW is a mining state, producing around 40% of Australia's black coal, as well as gold, copper and other minerals. In 2010-11 coal was NSW's largest merchandise export in terms of value, worth \$11 billion. The Australian mining equipment, technology and services sector also provides significant value, with the sector's export revenue estimated at around \$3.5 billion per year.

In 2011-12, the mining industry contributed directly to the NSW Government by paying \$1.48 billion in royalties (3% of total government revenue), up from \$1.24 billion in 2010-11. Over the next four years it is estimated that NSW Government revenue from royalties will be a total of approximately \$8.9 billion. The sector is responsible for 17% of private investment in NSW – the highest of any industry in the State.

Mining and minerals processing in NSW employ around 93,000 people directly, mainly in rural and regional NSW. In addition, the industry generates indirect employment estimated to be in the order of 326,000 people across the State. These jobs range across a large number of industry sectors, including construction, heavy engineering and equipment manufacturing, the provision of mine supplies and consumable items and specialised advisory, design and management services.

Mining also brings significant private investment in major infrastructure, which benefit other industries and leads to the creation of further employment. Policies affecting the mining sector have significant economy-wide impacts that will affect the people of NSW, not just those in mining regions.

Further, the NSW Government's *NSW 2021*<sup>2</sup> plan sets out ambitious targets for economic growth in NSW including a 30% increase in mineral production. Facilitating this growth in the resources sector will require not only engagement with communities but also strong leadership from government to guide difficult decisions, which will have considerable local, regional and NSW wide benefits.

### 2.2 Community and NSW Minerals

The NSW minerals industry often operates in close proximity to existing population centres and alternate land users. Recent years have brought expansions of the current minerals industry, the advent of coal seam gas, proposed uranium exploration as well as increasing population and housing in rural areas.

This has resulted in increasing pressure on industry and government to resolve tensions created by competing land use. The successful coexistence of mining with alternate land uses, such as agriculture, has enormous benefits for regional NSW. Diverse regional economies are more resilient to withstand industry cycles, such as the troughs in global demand for commodities and prolonged periods of drought. These economies also provide people of all ages with a broader range of career choices, increasing the potential for people to build prosperous careers close to home. This has positive implications for families and the social benefits of strong communities.

### 2.3 How NSW Rates as an Exploration Destination

Today, in comparison to the rest of Australia, NSW ranks below all other states except Tasmania as a place to invest in the minerals industry. The latest Fraser Institute Survey<sup>3</sup> of mining and exploration executives worldwide has found a concerning decline in the global attractiveness of NSW as an investment destination for mining. According to the 2013 survey, in the Policy Potential Index ranking NSW dropped in the rankings to 44 from 32 in 2011/12 and 20 in 2010/11. NSW is now behind every

<sup>2</sup> NSW Government, *NSW 2021 A Plan to Make NSW Number*, page 6

<sup>3</sup> The Fraser Institute, *Survey of Mining Companies 2012/2013*, released 28 February 2013



other state except Tasmania and ranked below Botswana, Greenland and Mexico as a destination for exploration.

These survey results are supported by statistics on exploration expenditure. The latest Australian Bureau of Statistics<sup>4</sup> indicate that expenditure on exploration in NSW has fallen by a third, or over \$20 million seasonally adjusted, in the last two quarters compared with the same time last year. Expenditure on gold exploration is just over half in the December quarter as in the same period last year and coal exploration expenditure has dropped by a third. Expenditure on exploration in new deposits in NSW in the last quarter represents just 3% of exploration expenditure across Australia.

There is also evidence that a significant amount of ground under exploration has been recently relinquished. The area of NSW under exploration licence was 17.2% in October 2012, which is significantly less than the steady 21% which had been previously held in the period February 2011 to April 2012<sup>5</sup>.

### 3 Barriers to Mineral Exploration in NSW

Exploration for minerals involves one of the highest levels of financial risk in the commercial sector. Most exploration is undertaken by junior explorers, who must manage their financial risk while operating on subscribed capital only, with no sustainable income. For these reasons junior explorers are particularly impacted by increases to their costs and administrative burden. Every dollar spent on administrative costs is a dollar not spent on exploration activity.

It should be noted that financial barriers, including company funding, commodity prices, administrative costs and taxes will always be greater for mineral explorers than non financial barriers. Without adequate funding, the industry will simply not continue.

#### 3.1 Regulatory Burden

*"This [new requirement by the Department for exploration licence holders] scares me as it appears to be just another time-wasting "hurdle" in the "handicap steeplechase" which is otherwise known as the NSW exploration industry. When are the [Government] going to get the message that all this "red tape" is rapidly driving genuine dedicated NSW explorers to other states?"*

*Director, ASX-listed Exploration Company, January 2013*

This comment from an experienced and long serving explorer in the NSW minerals industry succinctly summarises the industry's view of the regulatory burden in NSW. The diminishing ranking of NSW in the Fraser Institute Survey, the falling percentage of NSW under exploration and the reduced exploration expenditure clearly show that investor confidence in the NSW regulatory environment is poor.

Delays and red tape within NSW Trade and Investment, Division of Resources and Energy (DRE) burden the NSW minerals industry and represent a critical barrier to exploration. NSWMC is deeply concerned that the minerals industry, especially NSW exploration, is unnecessarily restricted and deterred and putting at risk the future of the State's mining industry.

Explorers in NSW have recently faced significant increases in regulatory reform, administrative workload and fees. Examples of the key issues include:

- **Reforms introduced with minimal consultation or communication with industry**

Significant reform was introduced following the *Mining Act Regulation 2010* and the recent *Strategic Regional Land Use Policy*. An example was the introduction of the requirement for an Agricultural Impact Statement for activity approvals from the day the policy was announced. This applied to all approvals (even those where all the application documentation had been submitted) and guidelines on the requirements for the Statement were not released for over two months following the policy announcement. Other government departments provide consultation,

<sup>4</sup> Australian Bureau of Statistics *Mineral and Petroleum Exploration Report (December 2012)*, released 4 March 2013

<sup>5</sup> Pers Comm NSW Division Resources and Energy, email dated 15 February 2013



guideline documentation, public information sessions and reasonable transitional arrangements for regulatory change.

- **Increase in administrative workload continues**

For example

- Regulatory reform for drilling in the past 12 months has included a detailed revision and extension of the Review of Environmental Factors and the additional requirement for an Agricultural Impact Statement. Further reform has also been proposed.
- Exploration licence (EL) conditions for coal have been reviewed with a number of new requirements regarding groundwater monitoring and modelling and an annual report on consultation.
- An EL renewal was previously a single form to complete. This process now requires four separate forms and at least four times the number of hours to complete.
- An EL application in NSW takes at least a full day, if not more, to complete. By comparison, the same application in Western Australia would take about one hour to complete.
- Similarly, environmental approval documentation has increased. The Review of Environmental Factors for exploration which was a ten page document ten years ago is now a 140 page document.

- **Extraordinary delays in tenement processing are common** (see also Section 3.2 below)

EL renewals are regularly taking between five and 12 months after the expiry date and a recent mining lease took three years to process. This means that companies do not have security of tenure. It also means companies may spend thousands of dollars on tenements which may not be renewed and leaves company directors with significant financial risk.

- **Inconsistent decisions as well as a lack of transparency and clear policy**

Guidance on tenure policy in a *Policy Framework* was first drafted over two years ago by DRE, and has not been finalised. A number of critical issues must be resolved including clarification of the policy that the 'whole licence must be explored' and the interplay between coal and coal seam gas licences.

- **Implementation of additional fees**

In July 2012, the NSW minerals industry was hit with two additional and significant fees:

- **Administrative levy** - This is an annual charge equivalent to one percent of the rehabilitation security deposit for all coal, mineral and petroleum title holders. The levy will "raise about \$13 million a year ... assist in development of clearer regulatory requirements and shorter turnaround times for assessment and approval of industry activities ... provide better communication and liaison between local communities and the industry ... fund additional staff so that Government can meet its increasing responsibilities. Up to 40 new jobs will be created within DRE, most of which will be located in regional areas"<sup>6</sup>. As of 6 February 2013, 12 additional staff had been employed across the business units of Titles, Environment and the Geological Survey.
- **Annual rental or New Frontier fee** – This is an annual fee of \$60 per exploration licence unit or \$6.50 per hectare for a mining lease. The Annual Rental Fee will raise approximately \$6.5 million annually to fund the continuation of the highly successful *New Frontiers* program for pre-competitive data collection and management. This program of pre-competitive geological data collection has previously been funded by Government revenue. The *New Frontiers* initiative provided \$16.5 million from 2008 to 2011 for geophysical surveys, data compilation, mapping, data interpretation and delivery as well as core services for the Department. Such investment provides a huge return in exploration expenditure alone. Between 2008 and 2010, \$11 million was spent through *New Frontiers*, while private minerals exploration expenditure totalled \$308 million.<sup>7</sup>

The industry is still waiting to see positive changes from these additional imposts and the promised reporting on results. These fees are paid by industry to DRE to fund staff and projects specifically in titles management, compliance and precompetitive data collection; all responsibilities which were previously funded directly from government revenue. The new fees will, however, provide certainty and security, especially for the geological data collection program which only received short term funding from government.

<sup>6</sup> NSW Division of Resources and Energy website <http://www.resources.nsw.gov.au/info/fees/administrative-levy>, accessed 5 February 2013

<sup>7</sup> Australian Bureau of Statistics *Mineral and Petroleum Exploration Report (December 2010)*

NSWMC acknowledges the recent demands on the Government, including issues with staffing and resources, the emergence of coal seam gas and uranium exploration, as well as increased scrutiny and pressure from community. With overstretched resources, DRE has made some recent changes to address the issues for NSW exploration including:

- Appointment of Director, Industry and Investment**  
 In December 2012, DRE appointed a Director Industry and Investment to promote investment attraction in NSW which is an important step in promoting investor confidence.
- Appointment of Land and Water Commissioner**  
 A Land and Water Commissioner was appointed in December 2012 who will act as a source of information on land access issues and compensation for landholders and ensure landholders are dealt with fairly. The Land and Water Commissioner will provide advice to the Government on drilling and 'extractive' exploration applications on strategic agricultural land, representing landholder concerns and agricultural impacts.
- Release of template *Land Access Arrangement for Mineral Exploration***  
 The DRE template *Land Access Arrangement for Mineral Exploration* and accompanying *Land Access Arrangement Information for Mineral Exploration*<sup>8</sup> were released in October 2012. These documents are the result of extensive and prolonged consultation with DRE, NSWMC and the NSW Farmers. The template represents a balanced outcome which reflects requirements under the current legislative framework. This template represents an advance in the working relationship between DRE, NSWMC and NSW Farmers, especially in the current climate of competing land use. The template provides plain English guidance for landholders and explorers to negotiate land access and has been welcomed by the exploration sector.

### 3.2 Time Frames of Government Approvals Processes

Statistics on tenement processing times in NSW over two six month periods are detailed in Table 1. These turnaround times are simply unacceptable and appear to be getting worse.

**Table 1 – Recent Tenement Processing Times<sup>9</sup>**

	6 months to 1 Jul 2011		6 months to 31 Dec 2012	
	Number finalised	Average Time (application to grant)	Number finalised	Average Time (application to grant)
<b>Mineral exploration</b>				
New licences	132	139 days	91	244 days
Renewals	240	240 days	152	254 days
<b>Coal exploration</b>				
New licences	1	258 days	0	n/a
Renewals	0	n/a	0	n/a

The extra staff and resources financed by the industry-funded 'administrative levy' should lead to an improvement in these metrics, at least in the medium term. Delays on renewals are particularly problematic as explorers are often spending money on exploration or planning programs with no security of tenure.

The processing time for coal applications is particularly long due to their complexity. Currently, all coal exploration licence applications must be competitively tendered when the Government releases specific 'Coal Allocation Areas'. There have been multiple issues regarding fairness, transparency and lack of industry consultation in the process for mineral allocation areas. The process is marked by the Government as 'under review' and is also the subject of a current Independent Commission Against Corruption (ICAC) investigation.

Further, there are emerging issues regarding co-located applications for coal and coal seam gas which are spatially and geologically related. Failure to address this interplay will be detrimental to NSW's competitive position because it will delay approvals or will result in an inefficient jigsaw fit of tenements

<sup>8</sup> Available from <http://www.resources.nsw.gov.au/landholder-information/template-for-land-access>

<sup>9</sup> Pers Comm, NSW Division Resources and Energy, emails dated 8 September 2011, 15 February 2013





of differing type and the unnecessary or temporary sterilisation of resources. This is a complex jurisdictional issue between the *Mining Act 1992* and the *Petroleum (On-shore) Act 1991*.

### 3.3 Duplication between Local, State and Commonwealth Regulation

*“NSW is becoming a bureaucratic nightmare”*

*Director, ASX-listed Exploration Company, January 2013*

Conditions of exploration licences in NSW often necessitate an explorer to sequentially notify or seek approval from a number of differing Government agencies, offices or departments. For example, an approval for a drill program is generally required from the Minister administering the *Mining Act 1992*. Conditions of the licence might then necessitate notification or approval from the Sydney Catchment Authority, the Office of Environment and Heritage and the Environment Protection Authority (each of which may impose further conditions on the proposed drill program). This slows down and complicates the exploration approval process as well as introducing additional uncertainty to the process.

Multiple approval authorities or departments often leads to replication of requirements or simply the imposition of conditions which do not make sense. An example is when waste water from drill sumps cannot be disposed of in an adjacent tailings impoundment owned by the same company, but must be transported to an ‘approved waste facility’.

Issues regarding land access and compensation in State Forests and Crown Lands have also hampered NSW explorers. The Government agencies that manage these areas have made unreasonable demands including ‘permits’, ‘upfront fees’ prior to access, ‘access fees’, ‘rent’ and unreasonable demand for public liability insurance. The fees and conditions proposed by both these Government authorities are exorbitant and inequitable. The so called ‘permits’ purport to be entitlements to prospect, yet this right is already granted under the *Mining Act 1992* through exploration licences. Exploration licence holders have already paid the Government significant fees and are governed by stringent conditions. This issue was first raised with the Government in July 2010 and remains unresolved.

Duplication of Commonwealth role has also occurred with the recent addition of an exploration condition which necessitates Ministerial approval of a change of control in the holder of the licence, or a foreign acquisition of substantial control. This matter is addressed by the Commonwealth under the *Foreign Acquisition and Takeovers Act 1975* and it is inappropriate and inefficient for the State to duplicate this role. This matter was raised has been raised with the Government from April 2011 and remains unresolved.

### 3.4 Costs of Non-financial Barriers and International Competitiveness

*“Mineral Explorers are giving up the fight with (NSW) and going to the jurisdictions where they are welcomed with open arms.”*

*Managing Director, ASX Listed Exploration Company, August 2012*

Specific costs of the non-financial barriers to resource exploration are difficult to quantify. However, it is undeniable that the reduction in exploration expenditure and the ranking of NSW must be in part due to these non-financial barriers. The case study below provides a real example where these barriers have driven a company from NSW.

#### CASE STUDY – EXPLORER DRIVEN OVERSEAS FROM NSW BY NEW FEES

Company A was listed in 2010 with a focus solely on NSW mineral exploration. The Managing Director described NSW’s lack of rental fees as a competitive advantage and a key reason for the NSW focus. When the new rental fees were introduced in NSW in July 2012, Company A immediately relinquished three tenements, and within six months an additional two tenements were relinquished at renewal. Additional land was also relinquished in remaining tenements, one by 90%. Company A has recently been evaluating projects offshore and has secured tenements in a more favourable international jurisdiction.



Investment in exploration across Australia would also be significantly improved by the introduction of a 'flow-through share scheme' by the Federal government. With a flow-through share, tax deductions generated by the company 'flow-through' to the shareholder and are deductible in calculating the shareholder's income. Junior exploration companies typically generate operating losses and frequently have no opportunity to deduct exploration expenses. This creates a disincentive for these companies to engage in exploration. In contrast, larger mining companies typically have taxable income and can utilise the exploration deductions. A flow-through share scheme seeks to address this distortion by making the tax deductions available to investors with taxable income.

Flow-through shares have been used in Canada for many years. Under the Canadian model, flow-through shares are issued to a person who provides funds to the company for qualifying exploration or development work. The company then incurs the expenses and flows the tax deductions through to the shareholder by way of a renunciation. This system has the added benefit of educating the population of the benefits of mineral exploration.

NSW faces fierce competition from other States and internationally in attracting exploration investment. The revolution of the internet has meant that exploration has become very portable - an explorer today can easily manage interstate or international operations from Sydney. Other jurisdictions offer a 'red carpet welcome' to explorers. South Australia has extended and expanded its successful Plan for Accelerating Exploration (PACE) which raised international interest in SA's high mineral prospectively and produced a \$300 million return on a \$30.9 million investment within its first three years. Several States also provide industry co-funded drilling programs, which offer incentives and cost reductions for exploration which are not offered in NSW.

*"NSW is slipping back through the pack as a preferred destination for exploration companies as it is one of the few Australian states that has not yet established a co-funded drilling incentive scheme. Our company has been exploring in NSW and Queensland for many years, but our preference now is Queensland because of their Collaborative Drilling Initiative (CDI) grant scheme which financially assists companies conducting greenfields or frontier drilling programs testing new exploration concepts. We have two gold/silver/base metal projects in Queensland, and we were delighted to win government funding for up to 50% of the direct drilling costs on each project - a total of around \$100,000 was returned to us - which is a strong incentive to explore in that State rather than NSW."*

*Director, ASX-listed Exploration Company, February 2013*

## 4 Priorities and Recommended Actions

The following information summarises key issues for NSW explorers and recommended actions which have been prepared in consultation with NSWMC members and other NSW explorers. NSWMC held workshops in March 2011 and March 2012 where direct feedback was sought from participants on the key issues for NSW explorers, their priority and recommended actions. Every company with an exploration licence in NSW was invited to attend. Many of the issues detailed below have remained unresolved for at least 12 months despite consultation with the Government at all levels.

### 1. Reinvigorate the Division of Resources and Energy through significant improvements in resourcing, staffing and processes

After almost two years of a new State Government, DRE remains desperately under-staffed, under-skilled and under-resourced. The additional fees and levies introduced in July 2012 will provide an additional \$19.5 million annually, but poor levels of service continue to be provided to the exploration industry. The Government must:

- Ensure the DRE acts as a champion of the minerals industry, not simply a regulator
- Ensure there is adequate resourcing, staffing and skill levels for the DRE
- Ensure the DRE provides appropriate levels of service, including consistent and transparent administrative processes
- Report on the service delivery targets and programs funded by the new fees which should provide certainty and security

- Expand the pre-competitive geoscience products and services in the *New Frontiers* program using the new rental fee, potentially including a co-funded drilling incentive program.

## 2. Rectify regulatory issues and diminish administrative burden

The regulatory changes for NSW explorers in the last 24 months have been immense, dramatically increasing the administrative workload for exploration companies. Processes have become more prescriptive and a number of changes have been made with little consultation, guidance or the provision of a transition period. The following actions would significantly diminish the administrative burden and improve clarity and confidence for NSW explorers:

- **Review of exploration licence conditions.** A review of licence conditions has been underway for over two years and must be finalised. Issues must be resolved include
  - The recent addition of a condition which necessitates Ministerial approval of a change of control, or a foreign acquisition of substantial control. This matter is addressed by the Commonwealth under the *Foreign Acquisition and Takeovers Act 1975* and it is inappropriate and inefficient for the State to duplicate this role.
  - Co-location of coal and coal seam gas tenements which are spatially and geologically related.
  - The requirement to obtain the consent of registered interest holders before the transfer of authorities which can add significant additional legal costs and delay for authority holders.
- **Finalise the review of mineral allocation areas** to ensure that coal exploration licences are offered fairly in a transparent process.
- **Streamline assessment and approval requirements.** The requirements and approval processes of multiple government departments, offices and agencies, both within NSW and locally and federally, must be streamlined. Guidance and transitional arrangements must also be provided to industry for legislative changes, including the imminent changes to Planning legislation, Work Health and Safety regulations and Aboriginal culture and heritage.
- **Streamline reporting and assessment requirements.** Following the recent removal of six monthly or interim reports, annual reports could be made biannual due to the impost of corporate resources to complete information which is often incomplete in a four or five year exploration program. Technical reports could also include information on consultation programs instead of separate reports. DRE systems should allow for tracking of reporting, online assessments and the requirement for submission of duplicate hardcopy information removed.
- **Finalise and implement the *Policy Framework for Exploration Licences, Assessment Leases and Mining Leases*.** This is a welcome initiative by DRE to provide clear guidance on policy, as well as consistency and transparency in administrative processes, but must be progressed and finalised.
- **Review of security cost schedule** was signalled following changes to securities in July 2012 and has not yet commenced.
- **Review of the Rehabilitation Cost Estimates for exploration.** The current cost estimates for exploration relate more to mining. A review was initiated by DRE in July 2012 and remains unresolved.
- **Clarify the implementation of uranium exploration** and ensure it is fair and workable. Limited information has been made available following the legislative change to allow uranium exploration in September 2012. Industry was invited to submit expressions of interest in exploration licences by November 2012, but there has been no information on the progress of the applications.

## 3. Improve land access for exploration

The recent issues in land access have diminished the goodwill that formed the basis of farmers and explorers working together over many years. It is time for the Government to take a whole-of-government approach and leadership on this issue. The Government must:

- Resolve the issue of access into State Forests and Crown Lands and fair compensation for exploration
- Address issues in land access regulatory changes.

#### **4. Improve community education on the benefits of the minerals industry**

The recent issues regarding competing land use and the introduction of coal seam gas into NSW have resulted in a growing negative voice in the community against the minerals industry. The Government must join the minerals industry to take an active role in educating the community. This education must start from school age children and include social media. The education must focus on the:

- Benefits of exploration and mining in NSW on regional economies and production of essential products
- Differences between exploration, mining and coal seam gas
- Scale of land disturbance and water use
- Limited chance of exploration leading to mining.

#### **5. Introduce of a Flow Through Share Scheme to improve access to investment**

The Federal Government must work to establish a flow through share scheme in Australia to encourage investment in junior exploration companies.