

Sustainably Growing Energy and Mining in **South Australia**



WHAT WE HEARD



Government of South Australia
Department for Energy and Mining



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The wide-ranging feedback will inform the final design of an Energy and Mining Strategy.

Growth State:
Our plan for prosperity

EXECUTIVE SUMMARY

The South Australian government is developing an Energy and Mining Strategy to contribute to Growth State: Our plan for prosperity.

To ensure an industry-led strategy, key stakeholders were invited to provide their feedback on a consultation paper that outlined what was now being done, defined the challenges ahead and the scope to go further to drive economic activity.

The South Australian public and industry were invited to provide their views on key growth opportunities and challenges for the energy and mining sector and comment on the government role and focus for delivering on Growth State's ambitious economic growth targets.

This 'What we heard' report has been prepared to summarise and synthesise the submissions received during stakeholder engagement on the *Sustainably Growing Energy and Mining in South Australia Consultation Paper*. It brings together written submissions provided to the government as well as the information collated from the YourSAy web site, Facebook and Twitter. The wide-ranging feedback will inform the final design of an Energy and Mining Strategy to support the Growth State: Our plan for prosperity.

The Department for Energy and Mining received 13 submissions from energy and mining companies, 11 from industry and community advocacy organisations, 11 from private individuals, 2 from universities and 2 from government agencies. The written submissions generally approved

the objectives of the proposed Energy and Mining Strategy with several suggestions on how to increase economic activity in the energy and mining sectors. Some of the submissions advocated for nuclear energy and several raised concerns about the effectiveness of wind farms. Greater emphasis was recommended for infrastructure services for mining, shorter term measures to reduce energy costs, carbon capture and storage, geothermal energy and recycling. Extractive industries specifically advocated for an extractive strategy to complement existing copper, magnetite and hydrogen strategies.

YourSAy promoted online engagement on the consultation paper through Facebook and Twitter with a combined audience of 47,663. The consultation paper was also emailed to 36,082 recipients through YourSAy, with 14,066 people opening the email. Of these, 122 email recipients clicked the link to the engagement channels for the consultation paper. Overall, the online campaign achieved a combined reach of 63,074 and generated 1,345 visits to the Energy and Mining web site to learn more. The Department for Energy and Mining emailed a further 1,336 stakeholders requesting feedback on the consultation paper.

Input from the Minerals and Energy Advisory Council, Infrastructure SA and the Industry Skills Councils is also incorporated.

The government hosted a Roundtable for Oil and Gas Projects in South Australia workshop attended by almost 200 industry, government and community representatives to generate feedback on the Energy and Mining Strategy.

INTRODUCTION

The South Australian government has carefully designed Growth State: Our plan for prosperity to leverage South Australia's competitive advantages and promote industry growth by responding to the needs of business and industry. To achieve the Growth State's objective of accelerating economic activity to achieve a 3 per cent growth rate will require a range of the state's industries to grow significantly beyond their current trajectory.

The Energy and Mining sector is one of nine priority sectors targeted for sustained and purposeful action to remove barriers to growth and implement microeconomic reform to underpin a competitive business climate in South Australia.

The Department for Energy and Mining in October and November 2019 sought industry and community input into the design of an Energy and Mining Strategy that would help to contribute to the overall aims of Growth State.

The consultation sought feedback on four targets that aligned with the overall 3 per cent growth target.

THE TARGETS

\$8bn BY 2025

\$13bn BY 2030

Increase international exports to \$8 billion in 2025 and to \$13 billion by 2030.

\$300m BY 2025

Increase private mineral resources and petroleum exploration to a sustainable annual average of \$300 million by 2025.

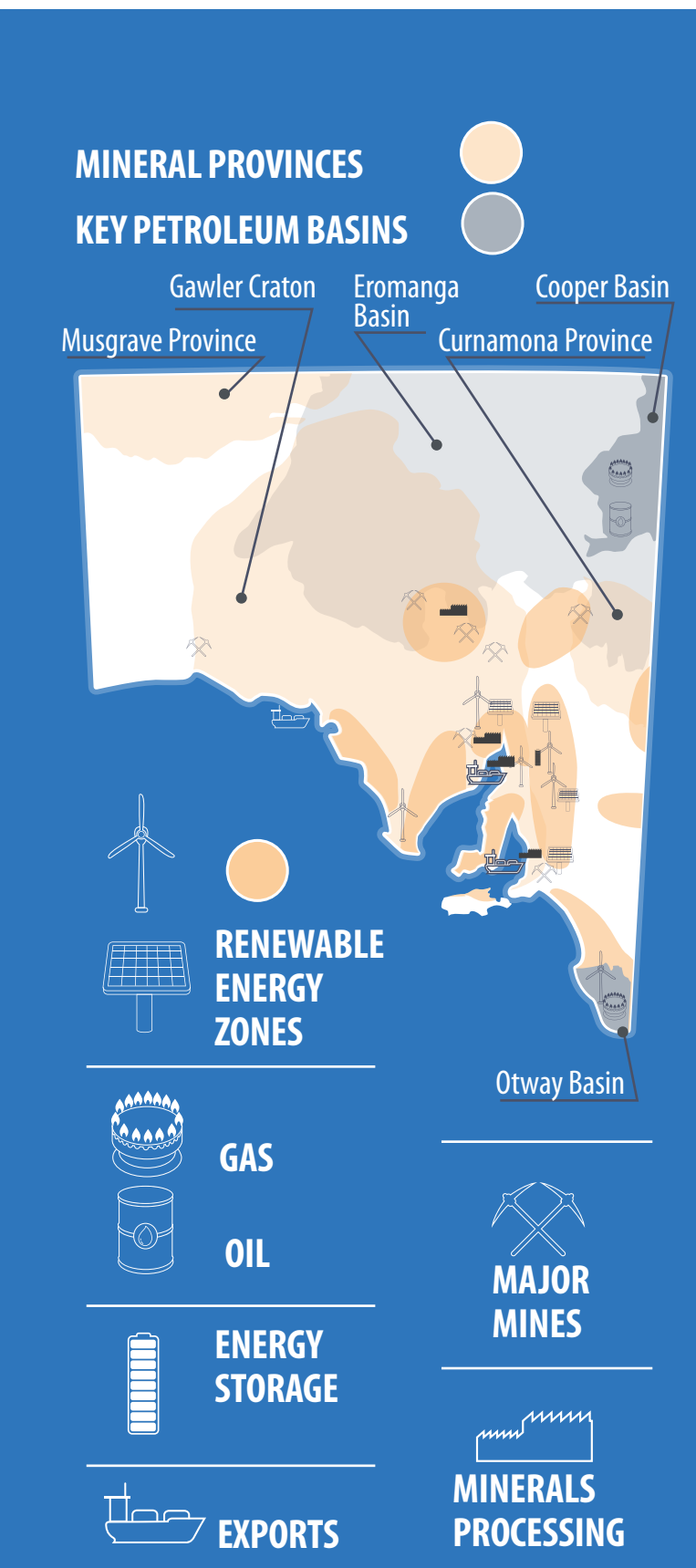
\$18bn ACROSS
7 YEARS BY 2025

Increase total private investment in energy and mining to a combined \$18 billion across the seven years to 2025.

Lift energy supply competitiveness to be

NATIONALLY COMPETITIVE
BY 2025

INTERNATIONALLY COMPETITIVE
BY 2030



The engagement process included a survey that sought feedback on questions embedded into the Energy and Mining consultation paper:

- Is energy and mining as a sector appropriately identified?
- Are these four targets achievable and sufficiently bold to support Growth State: Our plan for prosperity? Can these targets serve to identify barriers and opportunities for the sector to contribute to stronger economic growth?
- Should South Australia adopt an energy productivity target?
- What other growth opportunities should we be pursuing? Are there any other opportunities for leveraging South Australia's clean energy transition to grow jobs and investment?
- Are all the key challenges to sustained and robust growth in the energy and mining sector captured in the consultation paper?
- Are there any priority areas that should be the focus of the Energy and Mining Strategy? Is there a greater or lesser role for government/industry? Where can the South Australian Government work in collaboration with industry, Commonwealth Government and national industry groups to support the Energy and Mining Strategy during the next five to 10 years?
- In each of the four streams – Trade and Investment, Skills and Innovation, Infrastructure, Land Water and the Environment – are the proposed industry goals, key challenges and scope for further action correctly identified? What more could be done?

COMMUNITY & STAKEHOLDER

ENGAGEMENT

The South Australian Government provided individuals, industry groups and businesses, community and stakeholder groups several ways to respond to the Sustainably Growing Energy and Mining Consultation Paper. The engagement process was opened on Wednesday 2 October 2019 and closed Friday 1 November 2019.

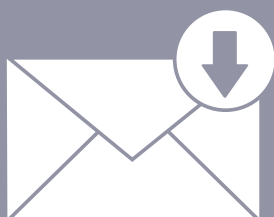
The following methods of engagement were implemented to gain feedback on the discussion paper:

- Direct stakeholder consultation by email and industry forums
- YourSAy campaign by email, social media and discussion board
- Online consultation survey – accessed via the DEM and YourSAy web pages

The feedback is summarised in the Reflecting on submissions section (p.14)



DEM DIRECT STAKEHOLDER CONSULTATION



DEM EMAIL
CAMPAIGN

1336

industry
stakeholder
emails sent



DEM
WEBPAGE

391

page views



CONSULTATION
PAPERS

702

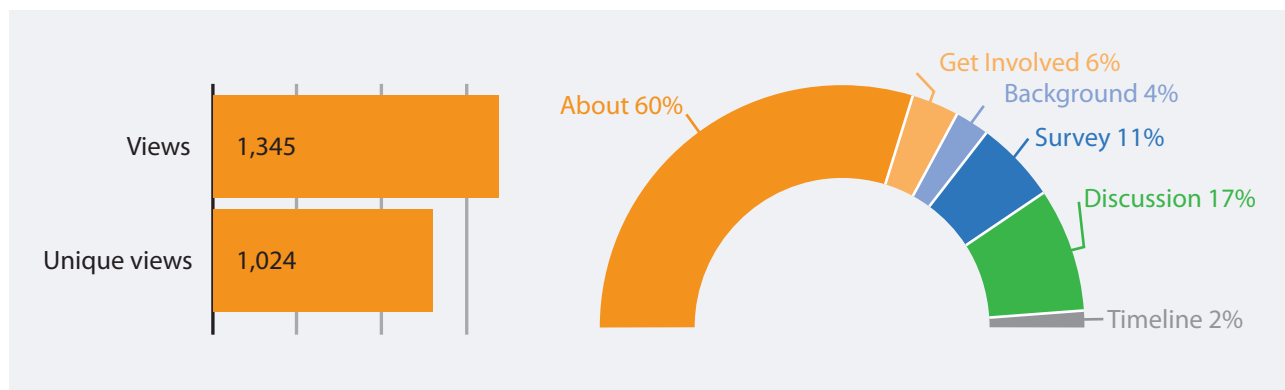
downloads

All statistics are for the consultation period from 2 October to 1 November 2019.

YourSAy WEB SITE ACTIVITY

The online survey was hosted on the Department of the Premier and Cabinet YourSAy website (<https://yoursay.sa.gov.au/decisions/growing-energy-and-mining>) outlining the seven questions in the

Sustainably Growing Energy and Mining in South Australia Consultation Paper. The online YourSAy engagement featured a discussion forum and supporting emails and social media posts to the YourSAy database.



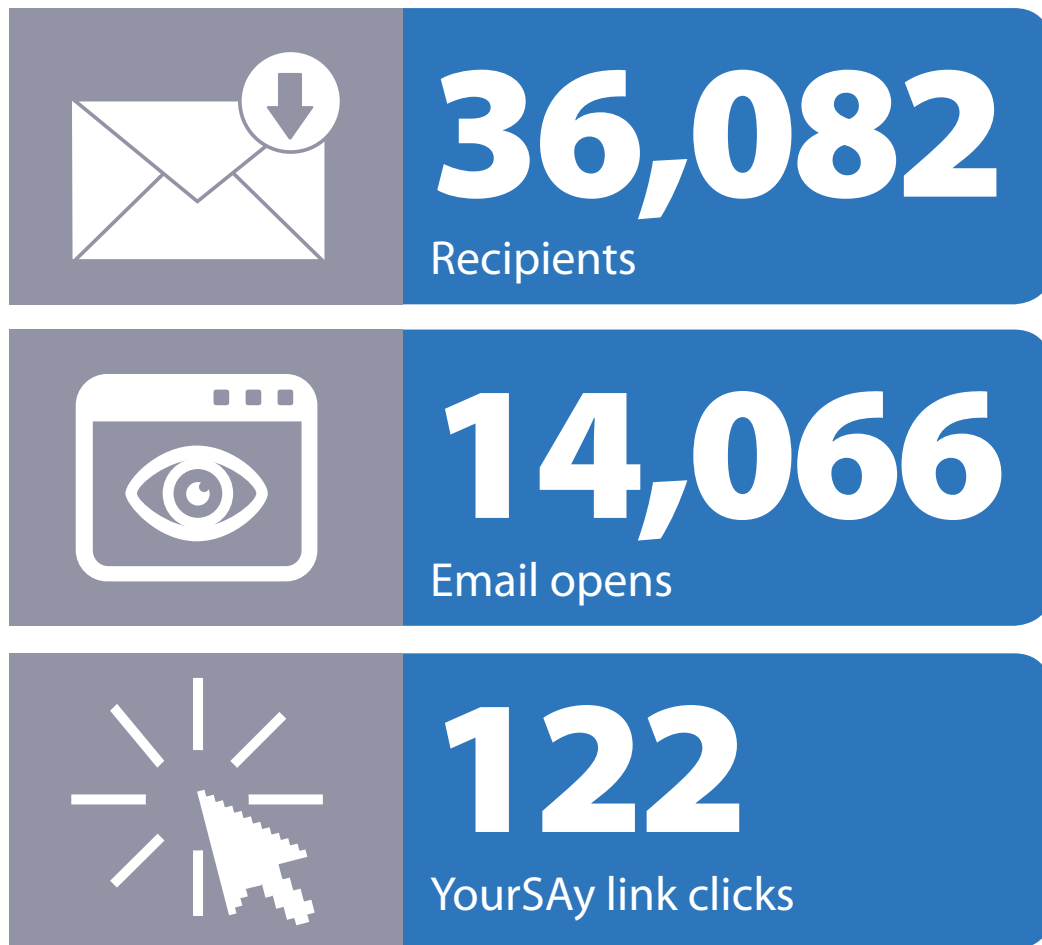
Activity on the YourSAy web site sections during the open consultation period from 2 October to 1 November 2019.

“South Australia already has strategies in place for copper, magnetite and hydrogen...and action to develop an extractives strategy would serve the state of South Australia well.

YourSAy EMAIL

Emails were sent to 36,084 registered YourSAy users with information about the Sustainably Growing Energy and Mining in South Australia Consultation Paper. There were 14,066 email opens giving a large number of people the opportunity to see the engagement at least once.

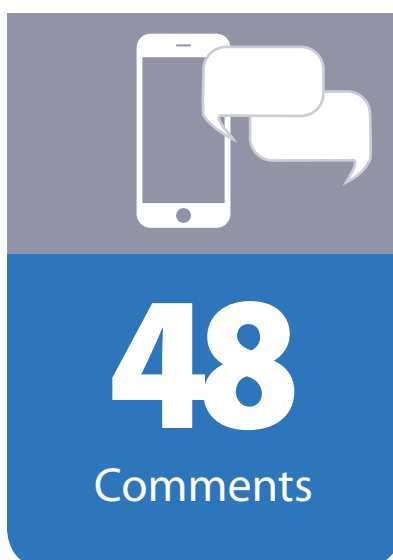
By email



YourSay SOCIAL MEDIA

Promotion of the Consultation Paper occurred via 10 posts on social media, achieving a combined reach of 47,663 on Facebook and Twitter during the open consultation period.

On Facebook





On Twitter

your SAY Yoursay South Australia
2 October · 🌐

⚡ **NEW** ⚡ - We are seeking feedback on how we can expand the energy and mining sector in our state, support industry and encourage further investment.

How can you get involved? Provide feedback on our Energy and Mining Strategy consultation paper by:

- 🗣️ Joining the online discussion
- ✅ Completing the online survey ... [See more](#)



YOURSAY.SA.GOV.AU

Growing our Energy and Mining Industry [Learn More](#)

We are seeking feedback on our Energy and Mining...

👍❤️😂 Ignacio Mattos, Laurie Duggan and 9 others 27 comments 8 shares

your SAY YourSAY @YourFutureSA · Oct 11

⚡ Did you know you can help guide the ongoing expansion of the energy and mining sector in our state? Click the link and join the discussion - bit.ly/2p4LaOS

#EnergyandMining #GrowthStrategy #SouthAustralia #GrowthState #YourSAY



Growing our Energy and Mining Industry
Now Closed This online engagement was hosted on YourSAY from 2 October to 1 November 2019. Find ...
📄 yoursay.sa.gov.au

💬 1 ❤️ 📤



REFLECTING ON SUBMISSIONS

The Department for Energy and Mining collated the results of the survey and written submissions.

Broadly, the feedback indicated a consensus on the appropriateness of the Energy and Mining targets.

MAJOR THEMES

Go beyond business as usual

Streamline land access

Exploration

Optimise energy mix

Contribute to circular economy

**Maximise Commonwealth/
State reform process**

Facilitate infrastructure

TARGETS

Several submissions suggested that these objectives were bold and would not be achieved by a business as usual approach from the state government.

As well as export growth potential, recognising domestic opportunities including gas, electricity and extractives was highlighted.

The feedback indicated that there was not a broad consensus in support of the consultation paper's question as to the merits of adopting an energy productivity target. The Australian Petroleum Production and Exploration Association (APPEA), for example, submitted that this issue was best addressed at a national level as part of the National Energy Productivity Plan, rather than imposing additional or non-complementary requirements at a state level. Similarly, AGL Energy Ltd submitted that South Australia's important voice in the electricity market reform process is used to best effect within the auspices of the COAG Energy Council.



The proposed growth targets represent a major step change for energy and mining activity in South Australia – given the ambitious nature of these targets, the actions of government must be equally ambitious.

*South Australian
Chamber of Mines and Energy*

OUR APPROACH

The quarrying industry specifically requested an extractive industry strategy to complement the existing copper and magnetite strategies, the Oil and Gas Road Map and the Hydrogen Action Plan. Extractives were also identified as an opportunity to expand exports both interstate and overseas. Specialised aggregates, high-value concrete for architectural purposes and high value dimension stone products were identified as potentially significant export growth opportunities for South Australian producers. The overseas market for dimension stone was singled out as a growth area that should not be overlooked in designing an Energy and Mining Strategy.

Regional community groups also identified the opportunity to align the Energy and Mining Strategy with the Primary Industries and Regional Development strategies. Food, wine and agribusiness are one of the other nine priority areas identified by Growth State: Our plan for prosperity. While the consultation paper identified land access as an issue for energy and mining, the food, wine and agribusiness strategy did not identify mineral and energy resources as a possible competitor for land use in regional communities.

While traditional owners and their representatives did not directly respond to the broad invitation to provide input to the

National Electricity Market (NEM)-wide policy processes are fundamental to energy sector investment.

AGL Energy Ltd

Energy and Mining Strategy, the Department for Energy and Mining continues to engage with these communities through the Stronger Partners, Stronger Futures and Cooper Eromanga Basin Aboriginal Conference (CEBAC) initiatives for the mining and oil and gas sectors.

Under the Stronger Partners, Stronger Futures program, the Department for Energy and Mining has engaged with native title groups and other community representatives to seek their views on several issues relating to mining and exploration activity.

CEBAC brings together the Dieri, Wangkangurru/Yarluyandi and Yandruwandha/Yawarrawarrka Aboriginal land corporations and their communities and energy resource companies in the Cooper and Eromanga basins to explore opportunities to support Aboriginal employment and business.



While individual primary producers contributed feedback to the consultation paper, specific industry representative bodies did not provide submissions on behalf of their membership. Despite the absence of direct input, the Department for Energy and Mining has closely engaged with primary industry groups through the consultation on the Mining Act amendments and will continue to do so throughout the process to update the Mining regulations.

INFRASTRUCTURE

Industry groups also advocated for government investment in multi-user infrastructure, especially for ports, road transport including sealing the Strzelecki Track, and rail to support mineral exports.

Infrastructure corridors as an initiative to support investment and development of key mineral provinces was highlighted.

TRADE AND INVESTMENT

Investment in South Australia's energy sector is one of the areas identified in the energy and mining consultation paper where there is scope to go further. Submissions indicated that continued investment in South Australia would need to be aligned with the ongoing reforms to the NEM. These include COAG's support for the implementation of the Australian Energy Market Operator's Integrated System Plan (ISP). The plan includes proposed renewable energy zones in South Australia that would attract further investment in renewable energy generation and storage.

While some submissions were hostile to wind farms, their recommendations were balanced

by submissions urging the government to continue the transition to clean energy generation and storage. Some submissions suggested that South Australia's abundant uranium resource should lead to the uptake of nuclear energy to be exported through improved interconnection with the eastern states through the NEM.

Merit was seen in stimulating new demand for electricity by supporting the take up in South Australia of electric vehicles. More efficient utilisation of the grid and the reduction in transport emissions aligns with the State Government's development of an Electric Vehicle Strategy. Feedback included support for fast-charging infrastructure for electric vehicles (EVs) and identified the opportunity to create local demand for hydrogen by encouraging take up of fuel cell vehicles, as indicated in South Australia's Hydrogen Action Plan.

Natural gas is delivered to more than 450,000 homes and businesses through a domestic distribution network in South Australia. Homes rely on natural gas for heating and cooking, and gas is also a major input into commercial and industrial businesses. The dominance of gas makes the volatility in pricing a key influencer on the cost of living and cost of production. Gas also continues to play a significant role in electricity generation with supplies sourced from the Cooper Basin and a renaissance in production from the Otway Basin. South Australia's skills and experience in the oil and gas industry were referenced as a key enabler for the burgeoning hydrogen sector and other emerging technologies.

Numerous submissions reinforced the need for more rapid approvals and specific regulation reforms to support investment in the mining industry.

SKILLS AND INNOVATION

Energy and mining were recognised as significant areas for research and development supported by research projects within the state's university sector. The South Australian Chamber of Mines and Energy pointed out that achieving the strategy's growth targets will require a substantial workforce, creating the need to train or attract well-trained personnel to the State. The Chamber recommended scoping the potential demand for skilled personnel as part of the Energy and Mining Strategy.

Feedback also reinforced the importance of driving innovation by supporting energy services and mining equipment, technology and services (METS).

LAND, WATER AND ENVIRONMENT

Land access issues were highlighted by explorers and landowners.

Geothermal energy, carbon capture and storage and water supplies for mining were 3 areas that submissions suggested could receive greater emphasis in the Energy and Mining Strategy.

“The tone of the strategy in improving the competitiveness of South Australia's energy supplies is welcome.

Business SA

Recycling of bioenergy, e-waste and scrap metal were also identified as areas where South Australia could have a competitive advantage due to its uptake of renewable energy and recent investments in modernising mineral processing facilities. These comments align with the Growth State's ambition to develop a circular economy in South Australia that incorporates recycling and better use of waste materials to generate energy or new products.



NEXT STEPS

The recommendations from the engagement process will significantly assist in the finalisation of this important body of work. We thank you for taking the effort to provide your thoughts on a Sustainably Growing Energy and Mining in South Australia.

With the completion of the 'What we heard' report, a final Energy and Mining Strategy will now be prepared. The Strategy will not focus on the programs and policies already in place to support the energy and mining sectors as set out in the consultation paper but rather highlight short-term and longer-term actions and reforms that can be taken to contribute to the Growth State objectives.

Further information on Growth State: Our plan for prosperity can be found online at: GrowthState.sa.gov.au

The web site will provide a platform to update initiatives in support of the Energy and Mining Strategy as they are rolled out. Actions initially identified in the Strategy will be complemented by further initiatives as they are formulated and endorsed by Cabinet through the annual Budget process.

Energy and Mining is one of nine focus sectors for Growth State and the Energy and Mining Strategy will be bolstered by actions taken within the other areas for generating economic activity. Actions taken to support the four enablers of Investment and Trade, Skills and Innovation, Infrastructure, and Land, Water and the Environment will also have a bearing on the Energy and Mining Strategy.



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Disclaimer

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